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ABSTRACT

The Advisory Commission for the Study of Public Support for Postsecondary Education in Maine reviewed the financial problems facing Maine's private higher education institutions and the impact of increasing student costs at Maine's public institutions. The text of the state legislation creating the Commission is presented, along with a summary of the 1972 Amendments to the Higher Education Act, and the text of state legislation relating to public policy on higher education. Among the financial problems identified are a sharp increase in costs to the student, rising tuition for students attending public institutions, and underrepresentation in the University of Maine System of students from low-income families, according to a 1972 analysis. Alternatives to tuition increases include tuition based on need, tuition by level of instruction, and tuition waivers. After reviewing federal aid programs and other methods of providing financial aid, the Commission proposes a new Maine State Student Incentive Grants Program. Provisions of the proposed programs are outlined as follows: eligibility for incentive grants, determination of need, determination of grants, schedule of reductions in grants, initial and continuation grants, and administration of the incentive program. Appended materials include a 1967 report of the Advisory Commission for the Higher Education Study, information on constitutional questions regarding aid to private institutions, facts about enrollment and public support of higher education in Maine, and data on parents' contribution based on family income and family size. (SW)

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ADVISORY COMMISSION FOR THE STUDY OF PUBLIC SUPPORT FOR POST-SECONDARY EDUCATION IN MAINE

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HE 016 545

A Report Prepared for the

106th Maine Legislature

May 1973

ADVISORY COMMISSION FOR THE STUDY OF PUBLIC
SUPPORT FOR POST-SECONDARY EDUCATION IN MAINE

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Honorable Members of the 106th Maine Legislature:

The Advisory Commission for the Study of Public Support for Post-Secondary Education in Maine is pleased to submit this report as its response to S.P. 473 - L.D. 1492 of the 105th Legislature, directing the Commission to review and investigate the present and future economic needs of post-secondary educational institutions in Maine and their ability to meet emerging needs of future Maine students, and to study present programs of publicly supported financial assistance to Maine students and develop recommendations, if necessary, for new or additional responses to increasing student needs.

The Commission is indebted to members of the staff of the Chancellor's Office of the University of Maine and the Commissioner's Office of Educational and Cultural Services, who researched and compiled the data, in which the Commission makes its recommendations to the 106th Legislature.

The Commission feels that the report is thoroughly researched and documented. It deserves the careful consideration of all who recognize that the opportunity for a post-secondary education for all residents of this state, who desire such an education, and are properly qualified therefore, is important to the welfare and security of this state.

For the Advisory Commission,

Francis T. Finnegan, Chairman

CHAPTER I

SCOPE OF REPORT

The Commission was created by the 105th Legislature to study the finance of higher education in the State of Maine. The text of the legislation from which the Commission derives its authority is as follows:

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED SEVENTY-ONE

S. P. 473 — L. D. 1492

AN ACT Creating an Advisory Commission for the Study of Public Support for Post-secondary Education in Maine.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, post-secondary education in Maine, as in the nation, is in a state of deepening financial crisis; and

Whereas, a comprehensive study should immediately be commenced to determine public policy in providing public support to a broad spectrum of qualified institutions offering post-secondary education to Maine students, without undermining the necessary level of public support of public post-secondary education; and

Whereas, public programs of student assistance affect the ability of Maine students to take advantage of post-secondary educational opportunities; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine, as follows:

Advisory Commission for the Study of Public Support for Post-secondary Education in Maine. There is created an Advisory Commission for the Study of Public Support for Post-secondary Education in Maine. The commission shall consist of 15 members including the Chancellor of the University of Maine, the Commissioner of Education, a member of the Senate to be appointed by the President of the Senate, a member of the House of Representatives to be appointed by the Speaker of the House, and 11 members appointed by the Governor who shall designate one of the members as chairman.

The commission is directed to review and investigate the present and future economic needs of post-secondary educational institutions in Maine and their abilities to meet emerging needs of future Maine students, and to study present programs of publicly supported financial assistance to Maine students and develop recommendations, if necessary, for new or additional responses to increasing student needs.

The commission shall have the power to employ a director and such other consultative, statistical and clerical services as may be needed to carry out the study, and shall have the power to provide such office space, supplies and equipment as may be needed.

The commission is directed to report its findings and recommendations to the 106th Legislature.

The instructions provided by the Legislature are general in nature. Several considerations led the Commission to interpret these instructions narrowly. First of all, the Legislature chose not to provide any funds to support the commission's activities. The Commission recognizes the problems the Legislature faces in allocating funds and understands its obvious reluctance to fund the ever-increasing number of commissions such as the one on which we serve. Nevertheless, the total lack of operating funds imposed severe constraints on the Commission limiting the depth and scope of the final document. Secondly, the Commission operated within a time span of approximately one year. This limitation when coupled with the previously mentioned budget restrictions insured that the Commission would be unable to deal in depth with all the issues suggested in the above legislation. Finally, the Commission recognizes that responsibility for planning ultimately rests with the various institutions of higher education throughout the State. Consequently, the Commission has not attempted to deal with institutional priorities. We have confined our discussions to financial and related matters for which the Legislature is directly responsible and from which we are able to suggest specific legislative responses.

With these limitations in mind, the Commission confined its investigation to two very serious and immediate problems -- the financial problems facing Maine's private institutions of higher education and the impact of increasing student costs at Maine's public institutions. In the following pages, the Commission has attempted to deal squarely with each of the above problems and suggests practical and specific solutions. The Commission has operated within the framework of the 1972 Amendments to the Higher Education Act. Recommendations are consistent with the requirements of the Act. A summary of the 1972 Amendments is included in Chapter V.

CHAPTER II

STATEMENT OF PRINCIPLES

Throughout our deliberations, the members of the Commission have been guided by certain principles and assumptions regarding the finance of higher education. At the same time, we have operated in the context of existing public policy as outlined by the Legislature. In the following pages we have reviewed existing public policy and articulated those principles that have guided us in preparing this report.

Public Policy

In 1967, the Legislature passed AN ACT Relating to Public Policy on Higher Education. The document reads as follows:

Jun 20 8 02 AM '67

STATE OF MAINE

APPROVED JUN 19'67 BY GOVERNOR

CHAPTER 400 PUBLIC LAW

IN THE YEAR OF OUR LORD NINETEEN HUNDRED SIXTY-SEVEN

S. P. 498 — L. D. 1259

AN ACT Relating to Public Policy on Higher Education.

Preamble. Because education is the cornerstone in the building of a happy and productive society, and is the passkey to prosperity, realistic state education goals are declared essential.

The people of Maine are desirous of and entitled to the bountiful benefits of a substantially expanded system of higher education.

The people of Maine are desirous of and entitled to equal opportunity for a quality post high school education.

We declare that we can no longer afford to waste any of our human resources, that higher education must be made available to our youth irrespective of economic status or geographic location.

We declare our responsibility to recognize education as a continuing need of our people and to afford widespread opportunities in adult education.

Be it enacted by the People of the State of Maine, as follows:

R. S., T. 20, § 2251, repealed and replaced. Section 2251 of Title 20 of the Revised Statutes is repealed and the following enacted in place thereof:

§ 2251 Public policy on higher education

The following are the fundamental policies to be adhered to in the state's public higher education planning:

1. Recognition. To recognize higher education as an organized program of instruction, research and service, primarily concerned with the field of organized knowledge, related theory and associated practice by a collegiate institution, not necessarily of 4 years, authorized to award academic degrees, which is administered and systematically pursued on a full-time or part-time basis by persons who have completed secondary school or who demonstrate equivalent competence through appropriate means.

2. Principles. To support the principles that each higher education institution in the State of Maine, public and private, shall have control over its education program and related activities within its board of control, and that its faculty shall enjoy the freedom traditionally accorded higher education institutions in teaching, research and expression of opinions and that such faculty shall be consulted in the formulation of academic policies pertaining to it.

3. Cohesive system. To develop, maintain and support a structure of public higher education in the State of Maine which will assure the most cohesive system possible for planning, action and service in providing higher education opportunities, to which the highest priority for fiscal support is assigned.

4. Programs. To provide in its public higher education institutions, or through cooperative arrangements with private institutions or institutions outside the State, the programs of study, research or experimentation that its citizens may require.

5. Encourage growth. To encourage the growth and development of existing or new private higher education institutions within its borders where studies justify their continuation or establishment.

6. All citizens eligible. To recognize that all citizens of Maine shall be considered eligible for the benefits of appropriate higher education whether they are high school graduates or the equivalent, or those seeking retraining or training for new careers.

7. Public funds. To assign continually a high priority in the allocation of public funds to the development of services, programs and institutions designed to provide opportunities for those who do not now share equitably in the advantages of higher education, because of limiting economic, social, educational and cultural factors.

8. Financial support. To support financially the programs of its public higher education institutions through appropriations, grants and loans, based on comprehensive plans and budgets, both short-term and long-term, and expect appropriate public accountability for such support.

9. Federal funds. To encourage all institutions, public and private, to make maximum use of federal funds available for the support of higher education programs and activities, the State to provide matching funds, where necessary, initially and on a continuing basis.

10. Cooperative undertakings. To expect and request cooperative undertakings among the higher education institutions, public and private, and between them and the business, industrial and labor interests of the State in order to further the development of quality and quantity in educational programs and services and the advancement of the state's economy.

11. Evaluation and research. To encourage through financial support and the expectation of annual reporting, a continuing program of evaluation and research with respect to higher education opportunities in the State.

12. Master plan. To give through legislative action and appropriate publicity a high priority to the provisions of the master plan for higher education as these are stated and revised from time to time by responsible educational and governmental authorities.

13. Commuter education. To make the most effective use possible of the financial resources allocated to public higher education by maximum emphasis on commuter facilities.

The Commission reaffirms the declared policy of the Legislature in regards to public higher education and calls particular attention to paragraph three of the preamble and Section 7. In these words, the Legislature has articulated its intent to eliminate the financial barriers to higher education. This goal has yet to be accomplished. A great body of evidence indicates that economic barriers continue to deny many of our citizens the opportunity to proceed with their education beyond high school. The Commission believes that the time has come to reach out to these groups.

If the state is to make a significant effort in this regard, the financing of our public institutions must be restructured so as to minimize the financial burden on the student and his family. Over-reliance on tuition as a source of revenue has, in recent years, significantly increased this burden and worked against the goals we have set before us. In this period of high inflation with its resulting budgetary problems, we must not turn in desperation to solutions that will, in the final analysis, defeat the very purposes for which our institutions of higher education were created - to provide educational opportunities for <u>all</u> our people.

<u>The Maintenance of Quality</u>

The Commission emphasizes that while the financial burden on the student must be minimized, the quality of our public institutions must be maintained and improved. As we must not raise economic barriers to higher education in our search for revenue so must we avoid the kind of false economies that sacrifice the quality of our program offerings.

<u>The Private Sector</u>

The Commission believes that Maine's private institutions of higher education have been a valuable asset to our state. Prior to 1865, these

institutions were the primary source of post-secondary educational opportunities. Although they now educate fewer students than the public sector, the private schools are an integral part of Maine's higher educational system.

In recent years, many private schools have begun to feel the effects of inflation and are now experiencing varying degrees of financial difficulty. As their financial situations have worsened, there has been mounting pressure on the Legislature to provide some form of assistance. The Commission believes that in examining the question of public assistance to private institutions, we should be guided by several principles. First of all, the Commission believes that no institution, public or private, is worth preserving in and of itself. An institution is valuable only to the degree that it serves the people of Maine. Secondly, any assistance to private institutions should be consistent with the goals and objectives of the State of Maine in regards to higher education. Finally, the private institutions must be held accountable for the expenditure of public funds.

CHAPTER III

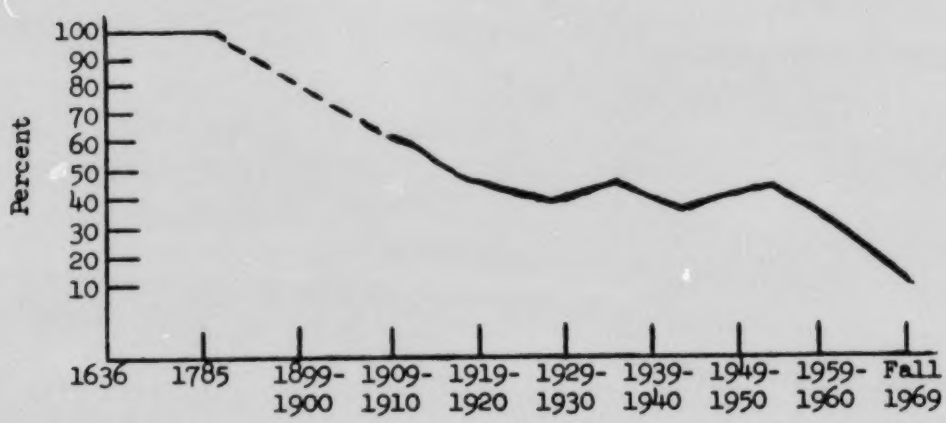
THE PLIGHT OF THE PRIVATE INSTITUTIONS

A. National Trends

The states originally relied totally on private institutions to provide for the higher educational needs of their citizens. State legislatures not only granted charters to private colleges, but also gave them tax exemptions, land-grants, and even institutional aid. In return, the private colleges provided a service to the community in offering educational opportunities to at least a part of the populace. At the beginning of the 19th Century, states began to take an interest in higher education and several state institutions sprang up around the country. In 1862, Congress passed the Morrill federal land-grant act and from that point on, public institutions would flourish and expand throughout the country. By 1900, enrollment at private institutions had dropped to 62% of all college and university students. In 1969, this figure was 28%.

Table Per Cent of University and College Students Enrolled in Private Institutions

FIGURE 1 Percent of university and college students enrolled in private institutions, 1636-1785 and 1899-1969 (includes enrollment at two-year institutions)



SOURCE: Comparable data is not available for the period prior to 1899, but it is well documented that the first public institution in the present sense of the term was established in 1785. Source for the years 1899 to 1969 is the Digest of Educational Statistics, 1969, table 3, and Opening Fall Enrollment, U.S. Office of Education, Washington, D. C., 1969.

Much has been written in recent years about the financial plight of our private institutions of higher education. It is an accepted fact that most private colleges and universities are experiencing varying degrees of financial difficulty. As inflation has continued to take its toll in buying power, the crisis has deepened and pleas for some form of public assistance have sounded in the halls of State Legislatures and in Congress. In order to understand the problem one must first explore the nature of the private institution, its sources of revenue and its methods of operation.

Private institutions derive most of their income from the assessment of tuition charges. .Students enrolled at private colleges and universities may be asked to pay as much as 90% of the instructional costs. Naturally, tuition at private schools has traditionally been higher than at state universities. But in recent years the gap has widened. This has occurred, in part, because private schools do not have a State Legislature or Congress to pick up the inflationary margins. But there is, perhaps, a more important factor. Private institutions must compete on the open market for students. They have no "captive" audience as do the state universities. Therefore, they must make their institution attractive to potential consumers. They must expend money in recruiting efforts, pay higher faculty salaries in order to maintain a degree of excellence in their academic programs, maintain an attractive physical plant, and because of their high tuition charges, expend large sums on financial aid. All of the above cost money and are generally responsible for the fact that instructional costs at private institutions are substantially higher than at public universities. A study sponsored by the Carnegie Commission on Higher Education shows that instructional costs per credit hour in private colleges and universities were greater than in their public counterparts over the entire period from 1930-1967.[1]

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[1] The Capitol and the Campus, The Carnegie Commission on Higher Education, April 1971, p. 67

There is ample documentation to support the generally accepted thesis that many, if not most, private institutions are experiencing financial difficulty.

An article in the October 1967 issue of Fortune predicted a combined annual deficit of $110 million for 20 of the country's wealthiest private colleges by 1978. Provost William Bowen of Princeton predicts that a typical private university will have an annual deficit of from $20 - $28 million by 1975-76 unless new sources of revenue are found.

Studies undertaken in Missouri, Texas, New York and Illinois all forecasted increasing financial difficulty in the private sector of higher education.

The Carnegie Commission reported that of 23 private universities surveyed, 10 were considered to be "in financial difficulty" and 9 were "headed for financial trouble."[2]

Clearly, the evidence suggests that higher education is in the midst of a period of financial difficulty and, as always, the private institutions are taking the worst of the beating.

B. Private Institutions in Maine

Private institutions of higher education in Maine are generally experiencing the same problems as private institutions throughout the country. Instructional costs are sky-rocketing; it is increasingly difficult to attract students, and some institutions having over-expanded in the "fat" years, are now paying the price.

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[2]The Capitol and the Campus, the Carnegie Commission on Higher Education, April 1971, p. 71.

CHAPTER IV

STUDENT COSTS

One result of the financial problems encountered by public institutions of higher education in recent years has been sharp increases in costs to the student. Total resident student costs at public institutions have risen more than 6% annually since 1965. Non-resident costs have increased at an annual rate of 9% during the same period.[1] (In the fall of 1971, eighty-four of the ninety-nine major state universities questioned by NASULGC increased student fees in at least one category). A recent survey of 1,250 universities and four-year colleges indicates that 75% of these institutions are increasing charges to students for the fall semester of 1972. These increases average $72 for in-state students at state universities, $141 for out-of-state students, and $154 for students attending private colleges and universities.[2]

Students are not only paying more money in an absolute sense, but they are also paying an increased proportion of the cost of their education. A recent NASULGC survey indicated that resident students now pay a median of 27.6% of instructional costs. The traditional level has been 25%.[3] Students attending the University of Maine pay approximately 30% of the cost of their education. Students at the V.T.I.'s pay 17% of the instructional costs.

Students attending public institutions of higher education in Maine have not escaped the inflationary pressures that have gripped the country. Tuition for in-state students has risen as much as 300% on some campuses of the University of Maine in the past ten years. Tuition at the V.T.I.'s has increased 400% in the same time period. (See tables 1 and 2.)

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[1] M.M. Chambers, Appropriations of State Tax Funds for Operating Expenses of Higher Education, Office of Research and Information, National Association of State Universities and Land-Grant Colleges, p. iv, v

[2] U.S. News and World Report, July 24, 1972, Vol. LXXIII, No. 4

[3] M.M. Chambers, Appropriations of State Tax Funds for Operating Expenses of Higher Education, Office of Research and Information, National Association of State Universities and Land-Grant Colleges, p. iv, v

Table 1 - Tuition Increases at Campuses Now in U. of M. System since 1961

		1961	1970	1971	1972
UMO	IN-STATE	400	450	550	550
	OUT-OF-STATE	800	1350	1550	1650
UML	IN	400	450	550	550
	OUT	800	1350	1550	1650
UMB	IN		400	400	
	OUT		1350	1300	
UMP	IN	400	450		
	OUT	800	1350		
UMG	IN		200		
	OUT		550		
UMPG	IN			450	450
	OUT			1300	1400
UMFK	IN	100	200	400	400
	OUT	200	550	1300	1400
UMPI	IN	100	200	400	400
	OUT	200	550	1300	1400
UMF	IN	100	200	400	400
	OUT	200	550	1300	1400
UMM	IN	100	200	400	400
	OUT	200	550	1300	1400

Table 2 - Tuition Increases at V.T.I.'s since 1962

	TUITION	
	In State	Out State
1962-63	$ 87.50	$175.00
1963-64	123.50 (inc. lab & consumable materials)	211.00
1964-65	123.50	211.00
1965-66	247.00	422.00
1966-67	247.00	422.00
1967-68	247.00	422.00
1968-69	247.00	422.00
1969-70	247.00	422.00
1970-71	247.00	422.00
1971-72	247.00	422.00
1972-73	300.00	600.00

Of course tuition is not the only cost for which the student is responsible. Each student must also pay for his room and board, books, and personal expenses. In addition, students are assessed activity and insurance fees. All of the above have increased as inflation has taken its toll. Current costs at the University and the V.T.I.'s are listed below. (See tables 3 and 4).

Table 3 - Direct Student Costs at the University of Maine for a Resident in-State Student

	UMPI	UMF	UMFK	UMM	UMPG	UMO	UMB	UMA
Tuition	400	400	400	400	450	550	400	
Room & Board	1100	1100	1100	1100	1100	1100	1050	
Health Insurance	31	18	26	31	28	30	30	
Activity Fee	30	35	30	40	16	12	12	
Books	150	150	150	150	150	150	150	
Personal Expenses	500	500	500	500	500	500	500	
Travel	200	200	200	200	200	200	200	
Total (9 months)	2411	2403	2406	2421	2444	2542	2342	N/A

Table 4 - Direct Students Costs at the V.T.I.'s

Tuition	$ 300	
Room & Board	730	per year
Fees	40	
Books & Supplies (Estimate - High)	125	
Personal Exp. & Travel	400	
	$1595	

IMPACT OF COSTS ON STUDENT POPULATION

There is considerable evidence to indicate the costs outlined above serve as an economic barrier to many who might otherwise benefit from attendance at an institution of higher education. Students from low income families, for instance, are presently under-represented in the University of Maine System.[1]

There is also some evidence to indicate that tuition increases have had a significant impact on existing student populations. A study conducted at the University of Maine at Orono indicates that in the fall semester of 1969, 9% of the withdrawals were attributed to financial difficulty. This increased to 13% in the fall of 1970 and 20% for the fall semester of 1971. The same trend holds for the spring semester. In the spring semester of 1970, 12% of the student withdrawals were for financial reasons. This increased to 14% for the spring semester of 1971 and 23% for the spring semester of 1972. In the academic year 1971-72, financial reasons became, for the first time, the second most frequent reason given for withdrawing from the University; the most frequent reason given being academic problems.[2]

The University and the V.T.I.'s have attempted to reduce the impact of increasing costs through financial aid programs. These programs, however,

[1] Higher Education Planning for Maine, Higher Education Planning Commission, April, 1972, p. 17.

[2] Unpublished study completed by Arthur Kaplan, Vice President for Student Affairs, University of Maine at Orono.

have been massively under-funded. Further, the HEP Commission emphasized that financial aid is not enough and significant recruitment efforts will be necessary if the University is to reach out to those who have previously considered attendance at an institution of higher education a financial impossibility.[1]

TUITION AS A SOURCE OF REVENUE

As demands on state appropriations have increased and the costs of education have risen, there has been considerable pressure to increase tuition, particularly at the University. Tuition is looked upon by many as a source of revenue that remains largely untapped. The assumption has been that there are many students at the University who can afford to pay full cost, or at least an increased proportion of the cost of their education. In testing this theory, however, it is clear that there simply aren't very many students in the University of Maine System who can afford to pay any more tuition. Therefore, the University cannot be expected to generate significant additional revenue from this source. To substantiate this statement, we will briefly review the tuition-financial aid picture.

As previously noted, the total cost to a resident in-state student is approximately $2,400.00. Many students are unable to raise this amount of money and are forced to apply to the University's financial aid offices for assistance.

The financial need of each applicant is computed as follows:

1. The family's ability to contribute is determined with the assistance of College Scholarship Service.
2. To the above figure is added the student's savings and earnings.
3. This total is subtracted from the direct cost to the student.

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[1] Higher Education Planning for Maine, Higher Education Planning Commission, April, 1972, p. 48-51.

[2] See Appendix A

$$\text{Direct Cost} - \left(\begin{array}{c}\text{Family's contribution}\\ +\\ \text{Student's Savings and Earnings}\end{array}\right) = \text{Computed Financial Need}$$

The financial aid offices on each campus attempt to meet the computed need of each applicant through grants, loans, and work study. Currently, the University is fulfilling only 24% of the computed financial need of the student body, falling some $11.6 million short in grant, loan, and work study dollars.

Obviously, there are thousands of students with unmet financial need who somehow find the money to attend the University. These students may seek loans from the Guaranteed Student Loan Program which is not administered by the University. Students borrowing from this source are charged simple interest rates of 7%. Families may borrow on their mortgage and/or life insurance policies. Finally, families who have little or nothing in the way of assets may be forced to skimp on clothing, food, housing and other necessities.

It must be remembered that current financial aid criteria already require a significant sacrifice on the part of students and their families. In determining the parents' ability to contribute, College Scholarship Service expects that families will liquidate some of their assets. At the same time, the need criteria do not take into account one-time cash outlays for sickness, car accidents and other emergencies that may occur in the course of a student's career.

Clearly, whenever tuition is increased, the total cost to the student is also increased, and the financial need of those who are unable to pay full cost rises. Further, additional students who previously had just barely been able to pay full cost are added to the list of those unable to pay. At the same time, new revenue is generated from those students who can af-

ford to carry additional financial burden. The crucial question is whether enough revenue is generated to balance the additional financial need that is created. In order to answer this question, Appendix A was used to determine the income level at which a family can be expected to pay full cost. From the direct student cost of $2,400.00 per student per year, we subtracted $500 (the amount a student can be expected to save during the summer). This leaves a cost to the family of approximately $1,900.00.

Using a family consisting of two dependent children, we find that a family with an annual income of approximately $12,000 or more can be expected to bear the full cost of their son or daughter's education. Table 5 indicates that only 30% of the present student body comes from families with incomes in excess of $12,000.

Table 5 - Family Income Levels of Students Enrolled at the University of Maine Fall - 1971

Income Range	Per Cent	Cumulative
0 2999	6.8	6.8
3000 - 5999	15.5	22.3
6000 - 8999	22.8	45.1
9000 - 11999	19.5	64.6
12000 or more	30.1	94.7
Other	5.3	100.00

Therefore, only 30% of the student body can afford to pay additional cost.

Table 6 - Per Cent Able to Pay Additional Cost

30% can carry additional financial burden	70% can't pay any more

Thus whenever tuition is raised, more than two dollars of financial need is created for every dollar of revenue. Even if every dollar of additional revenue from tuition increases were put directly into financial aid, the financial need of the student body would still increase at twice the rate of additional revenue.

It must be remembered that Maine's low income families are presently under-represented in the University's student population. If more low income students are recruited as recommended in the HEP Commission Report, the per cent of students with family incomes below $12,000 would increase and the ratio of financial need to revenue produced from a tuition increase rise from the present 2/1 figure.

In summary, those students who can afford to pay an increased proportion of the costs of their education are a distinct minority. Thus, the University cannot initiate an <u>across-the-board</u> tuition increase without increasing the financial need of the student body; even if <u>all</u> the additional revenue is channeled into financial aid programs.

Naturally, if tuition increases were waived for all those who could not afford to pay, no additional need would be created. Similarly, tuition may be raised at a rate equal to or less than per capita disposable income without increasing financial need. Increases of this nature, however, would <u>not</u> produce significant additional revenue. Further, even modest increases ignore the fact that economic barriers to higher education already exist and that existing tuition charges are a major part of those barriers.

ALTERNATIVES TO ACROSS-THE-BOARD TUITION INCREASE

In their efforts to squeeze additional revenue from the students, several scholars have proposed alternative methods of assessing tuition charges. These methods are described briefly below.

Tuition Based on Need

W. L. Hanson and A. Weisbrod developed a plan whereby public, post-secondary institutions would charge students the full cost of their education. In Maine, this would mean charging tuition in excess of $2,000 per year for in-state students. At the same time, students would be given a subsidy based on their financial need.

A budget would be established which would include all direct costs to the student. The family's ability to contribute would be assessed and this figure would be subtracted from the total student budget. The state would make up the difference, if any, by giving a direct grant to the student.

$$\text{(student budget)} - \begin{pmatrix}\text{amount student and}\\ \text{family can contribute}\end{pmatrix} = \begin{matrix}\text{student}\\ \text{subsidy}\end{matrix}$$

Although this proposal might have merits in and of itself, it would not, in Maine at least, produce significant additional revenue. There is a limited and clearly definable amount of wealth among the students and their families. In Maine, it appears that this source simply cannot provide enough additional wealth to significantly alter the present revenue structure. If this is the case, changing the collection procedures won't produce dollars where little or none exist.

This proposal should be carefully evaluated, but only as to the merits of "progressivizing" the tuition assessment procedures and creating additional bureaucratic structures to administer them.

Tuition by Level of Instruction

Instructional costs vary with the type of program and level of instruction offered. Instructional costs per student are greater for juniors and seniors than freshmen and sophomores. Graduate instruction is more expensive than undergraduate. It costs more to instruct engineers than it does liberal arts students. Given this situation, it has been suggested that

tuition be related to the instructional costs of the program in which the student is enrolled. This proposal would, of course, tend to screen out lower income students as they progressed through the system. Further, lower income students would inevitably be channeled into "cheap" programs. Finally, this proposal would provide significant additional revenue only at the expense of erecting additional if partial economic barriers to higher education. If the proposal differentiated only between graduate and undergraduate programs (perhaps an acceptable concept), the additional revenue generated would be minute, hardly enough to justify the additional economic barriers to graduate study that would be erected.

Tuition Waivers

Of course, tuition could be waived for all those students with financial need. In this instance, however, little additional revenue would be generated. Further, the administrative costs involved in waiving tuition for 70% of the student body would reduce whatever revenue was generated from the program.

To conclude, it is essential that in our search for additional revenue, we do not sacrifice those principles on which our system of higher education is based. We must not in desperation turn to solutions that will either fail to produce the needed revenue or do so only at the expense of excluding our middle and low income citizens from the benefits of higher education.

CHAPTER V

THE 1972 AMENDMENTS TO THE HIGHER EDUCATION ACT

After nearly two years of discussion, Congress has passed a mammoth higher education bill that will bring new federal dollars to the State of Maine.

The legislation will provide new student aid funds through State Student Incentive grants and Basic Educational Opportunity grants based on the "entitlement" concept. It retains, with minor changes, existing provisions regarding educational opportunity grants, work-study, and National Defense Student Loans.

The bill also provides institutional assistance in the form of Cost-of-Education Allowances and grants to encourage the establishment and expansion of community colleges.

A summary of relevant provisions of the Act is included on the following pages.

Summary of Relevant Provisions

I. Student Assistance:

A. Basic Education Opportunity Grants - This is a new program implementing the "entitlement" concept. Each student would be "entitled" to $1,400 a year in student aid, minus his "expected family contribution." The family contribution would be determined by, among other things, the effective income of the student and/or his family, the number of dependents in the family, the number of dependents attending college and the assets of the student and/or his family. "Effective income" is adjusted gross income less federal income tax paid. The per cent of "need" funded will be reduced if the program is not fully funded. Full funding appears unlikely at this time. Further, funding for EOG, work-study, and NDSL loans must total $653.5 million before any funds can be allocated to this program.

B. Supplemental Education Opportunity Grants - The present EOG program is extended for four years. The maximum amount of a single year grant is raised from $1,000 to $1,500. The cumulative amount a student can receive over a four year period is limited to $4,000. Ninety per cent of the funds appropriated for this program will be allocated among the states on the basis of the relative number of full-time-equivalent students enrolled at colleges and universities in the state. Eligibility for this and all other student assistance programs is extended to half-time students and to students at accredited, post-secondary vocational and proprietary institutions.

C. Work-Study Programs - The present work-study program is extended for four years. Ninety per cent of the funds will be allocated among the states on the basis of "equitable criteria" established by the rules and regulations. A new section authorizes the commissioner to enter into agreements with public or private non-profit agencies to carry out "community

service" learning programs. These are to be special work-study programs designed to provide students the opportunity to serve the community as well as enhance their education.

D. National Defense Student Loans - This program is transferred from the National Defense Education Act to the Higher Education Act. New aggregate loan ceilings are set at $10,000 for graduate students and $5,000 for undergraduates with an upper limit of $2,500 on loans to undergraduates during the first two years. Otherwise, the annual limitations are removed. Funds will continue to be allocated among the states on the basis of the relative number of full-time-equivalent students in the state. The income and assets of the parents of veterans are not to be taken into consideration. The provisions for loan-forgiveness were changed somewhat.

E. Guaranteed Student Loans - This program is extended for four years. Loan limits are raised from $1,500 per year to $2,500. Graduate and professional students may borrow up to $10,000. Undergraduates may borrow up to $7,500. The bill, for all practical purposes, eliminates the present $15,000 adjusted family income ceiling as a requirement for subsidized loan eligibility. The student is entitled to a loan with interest subsidy of the institution determines that the student has need.

F. Student Loan Marketing Association - This provision establishes a federally sponsored, private association to "make advances on the security of, purchase, service, sell, or otherwise deal in...student loans which are insured by the Commissioner...or by a State or non-profit private institution or organization with which the Commissioner has an agreement..."

G. State Student Incentive Grant Program - This section provides 50-50 matching grants to the states to encourage them to increase their state appropriations for student scholarships based on need. The non-federal portion of the grants would have to represent an additional expenditure

over the amount expended by the state, if any, during the second fiscal year preceding the fiscal year in which the state initially received grants under this program. Student grants are limited to $1,500 per year.

H. Upward Bound, Talent Search, and Special Services - These programs are consolidated but will retain their separate identity.

II. Institutional Assistance:

A. Cost-of-Education Allowances - The bill provides new institutional assistance based on the 1) "entitlement" concept, 2) the amount of EOG, work-study and NDSL funds, 3) the number of graduate students, and 4) the number of veterans. The allocation formulas for 1 and 2 above are severely graduated in favor of the smaller institutions.

B. Emergency Assistance - The bill provides emergency assistance to institutions found to be in serious financial distress. The grant is designed to enable the institution to determine the nature and cause of its financial problems and the means by which the problem may be alleviated.

III. Community Colleges and Occupational Education:

A. Community Colleges - A program of grants is authorized to assist states in establishing and expanding community colleges. Three types of grants are authorized: 1) grants for planning and initial operation, 2) grants to help existing community colleges expand their enrollments, and 3) grants of up to five years for the leasing of facilities. The federal share diminishes over a period of four years. Funds will be allocated among the states on the basis of relative population 18 years of age and older. To be eligible, states must establish or designate a state commission "which is broadly and equitably representative of the general public and public and private non-profit and proprietary institutions of post-secondary education..." Among other things, the commission would be required to set forth a plan for the

development of community colleges which would achieve the goal of making available to all residents of the state, an opportunity to attend a community college. The commission is also required to set forth an analysis of existing post-secondary educational programs with recommendations designed to avoid duplications. Finally, the commission is required to establish an advisory council on community colleges composed of 1) a substantial number of persons in the state having responsibility for the operation of community colleges 2) representatives of state agencies having responsibility for post-secondary education, and 3) the general public. Community college, as defined in the bill, may include a four-year institution or a branch thereof.

B. Occupational Education - The bill sets up a new program of occupational education. Plans for the programs are to be formulated by the commission established for junior college planning and administration, but the program would be administered by a separate agency established or designated by the state, in cooperation with the State Advisory Council on Vocational Education. In its planning activities, the state commission is required to "involve the active participation of (A) the State Board for Vocational Education; (B) the state agency having responsibility for community and junior colleges; (C) the state agency having responsibility for higher education institutions or programs; (D) the state agency responsible for administering public elementary and secondary education; (E) the state agency responsible for programs of adult basic education; (F) representatives of all types of institutions in the state which are conducting or which have the capability and desire to conduct programs of post-secondary occupational education; (G) representatives of private, non-profit elementary and secondary schools; (H) the state employment agency, the state agency having responsibility for administering manpower development and training programs; (I) the state agency responsible for economic and industrial development; (J) persons familiar with the occupa-

tional education needs of the disadvantaged, of the handicapped, and of minority groups; and (K) representatives of business, industry, organized labor, agriculture and the general public." Existing programs providing academic facilities, instructional equipment and graduate education assistance are extended with minor changes.

Summary

Question: What will the 1972 Amendments do for Maine?

Answer: The 1972 Amendments will not have a significant impact on the financing of higher education in Maine during the 1973-75 biennium.

Despite the enthusiastic response to the passage of the 1972 Amendments to the Higher Education Act, it is unlikely the amendments will have a significant impact on the finance of higher education in the immediate future. Although $3.6 billion has been authorized to fund the program, it is unlikely that anywhere near this amount will actually be appropriated. Although it is impossible to predict at this time the precise amount of federal money Maine will receive, the Legislature should not expect the 1972 Amendments to significantly alter the present revenue balance at the University in the coming biennium. In regard to student aid, only a massive infusion of federal dollars would overcome current deficits. This infusion does not appear to be in the offing.

Question: What do the 1972 Amendments require of the State of Maine?

Answer: 1) In order to receive funds for community colleges and occupational education, the states must establish or designate a State Commission which is broadly and equitably representative of the general public, public institutions of higher education and private non-profit and proprietary post-secondary institutions.

2) In order to receive funds under the Student Incentive Grant Program, the states must provide matching funds on a 50-50 basis. These matching funds must represent an additional expenditure by the state over previous appropriations. The program must be administered by a single state agency. Funds must be made available to students attending both public and private institutions.

1) The guidelines for the 1972 Amendments have not been written and for this reason, it is difficult to predict exactly how the Congressional wording will be interpreted. It appears, however, that none of the boards or commissions presently functioning in Maine meet the "broadly and equitably representative" requirements as described in the Amendments. If this is the case, the state must either create a new commission or expand an existing one to conform to the requirements.

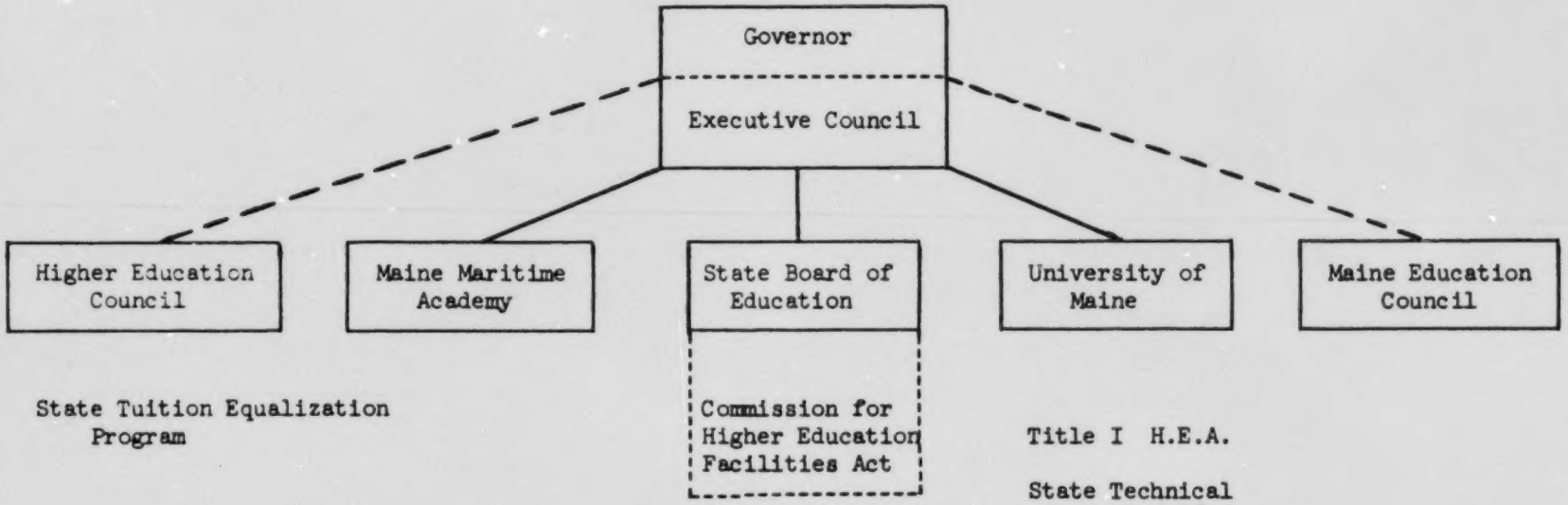
The Amendments make consolidation of state commissions under Sections 1202, 105, 603 or 704 optional after July 1, 1973. Nothing in the 1972 Amendments requires the states to make changes in the authority or composition of existing state agencies that have authority under state law for governance and/or planning of post-secondary education.

Further, nothing in the Amendments can be interpreted as superseding the authority of such existing state agencies. The following charts show existing state agencies, the state and federal programs they administer, and new commissions required by the 1972 Amendments.

2) The intent of the Student Incentive Grant Program is to encourage states to increase their appropriations for student aid. Presently, state appropriations for student aid are administered by several agencies. Student aid appropriations for the University and the VTI's are submerged in their

budgets and are available only to students attending those institutions. Student aid funds under the Tuition Equalization Program are available only to students attending private institutions. Remembering that the guidelines have not yet been written, it appears that in order to take advantage of this program, it may be necessary for the Legislature to establish a state student grant program and provide matching funds through direct appropriations.

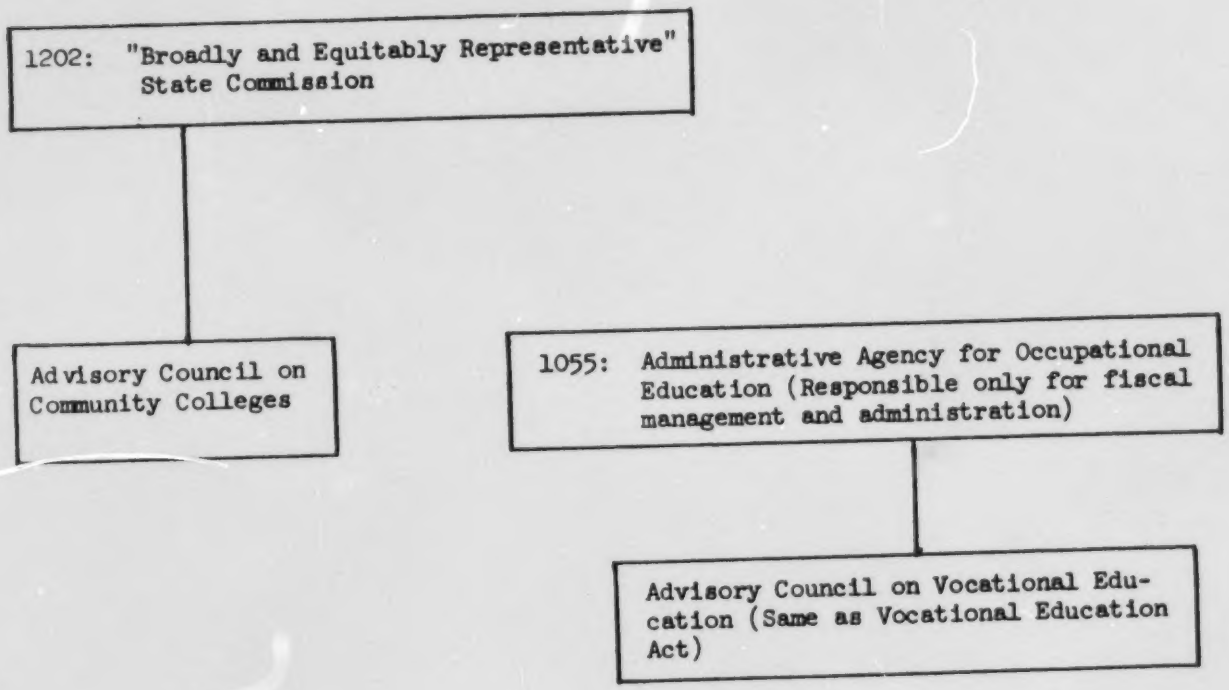
ORGANIZATION CHART OF PUBLIC HIGHER EDUCATION IN MAINE



STATE STRUCTURAL PROVISIONS OF

EDUCATION AMENDMENTS

OF 1972


1202: "Broadly and Equitably Representative" State Commission
Advisory Council on Community Colleges
1055: Administrative Agency for Occupational Education (Responsible only for fiscal management and administration)
Advisory Council on Vocational Education (Same as Vocational Education Act)

Function of 1202 Commission:

1. One-time plan for Community Colleges
2. Planning process for Occupational Education
3. After July, 1973, option to combine with state commissions required under:

   105 Community Services

   603 Undergraduate Equipment

   704 Higher Education Facilities Act

CHAPTER VI

PROPOSALS FOR CONSIDERATION

BY THE

COMMISSION

I. Aid to Higher Education Institutions:

Should the Commission decide that some form of financial assistance to private institutions is necessary, the following alternatives might be considered.

A. Capital Construction Assistance - At least eleven states lend money to private institutions for educational facilities construction through self-financing corporations which issue tax-exempt bonds. In addition, Illinois and New York award matched fund construction grants for certain health facilities. There is some question as to the efficacy of this type of arrangement in Maine unless loans were available for refinancing as well as actual construction. The Maine Education Council has investigated this problem. A summary of the status of their study follows.

During the regular session of the 105th Legislature, Representative William R. Lawry introduced L. D. 622, "An Act Relating to Financing Maine Education Buildings." The purpose of L. D. 622 was to create the Maine Education Building Financing Agency with power to acquire, build or reconstruct facilities and lease them to eligible institutions. The agency would be authorized to issue tax-free bonds and notes to be repaid with dollars received from the institutions.

The state would not incur any liability nor would the bonds be payable out of any funds other than those of the agency.

On April 28, 1971, the Legislature ordered the Maine Education Council to study L. D. 622 and submit a report to the next session of the Legislature.

An ad hoc committee was formed to assist the Council in its study and the first meeting was held in August of 1971. There was general agreement that benefits should be available to private institutions and that use of existing state agencies should be explored.

The committee met again in November of 1971. There was general agreement that the Maine School Building Authority could fulfill the purposes of L. D.

622 provided the necessary constitutional amendments were approved by the people and the Legislature would expand the powers of the M.S.B.A.

Mr. Mitchell, bond counsel from New York, has drafted the necessary constitutional amendment which reads as follows:

> Constitution, Article IX, Section 14-D, additional. Article IX of the Constitution is amended by adding a new Section 14-D, to read as follows:
>
> Section 14-D. Insuring payment of revenue bonds for public and private institutions of higher education and for public post-secondary business, trade, vocational and technical schools. In order to encourage and assist in the provision and construction of buildings in the State at public and private institutions of higher education and at public post-secondary business, trade, vocational and technical schools, the Legislature by proper enactment may insure the payment of revenue bonds of such institutions and schools and of public instrumentalities of the State issued for such buildings not exceeding in the aggregate million dollars in amount at any one time and may also appropriate moneys and authorize the issuance of bonds on behalf of the State at such times and in such amounts as it may determine to make payments insured as aforesaid.

The council has yet to take final action on the matter. If the council agrees with the committee, the next step would be to draft amendments to Title 20, Chapter 503 of the Maine Revised Statutes giving the M.S.B.A. the necessary powers.

B. Direct Grants to Institutions - Four states (Alabama, Ohio, Wisconsin, Pennsylvania) make unrestricted grants to specific private institutions. Florida, New Jersey, New York and North Carolina award per capita enrollment-

based subsidies for specific programs (e.g. medical and/or nursing/ disadvantaged).

C. Contractual Arrangements with Institutions - Alabama, Alaska, Connecticut, New York, and South Carolina contract for educational services and places for students as private institutions within the state. At least 25 states use contractual arrangements made through a regional agency to provide places at private out-of-state schools. Maine has such a contract with the New England Board of Higher Education for dental places at Tufts.

D. Scholarships to Students - Twenty-four states provide competitive scholarship awards based on ability and need for use at both public and private institutions. Many argue that given the shortage of student aid funds, assistance should be awarded only on the basis of need.

E. Grants to Students - Eight states make grants to students who have been admitted to private institutions as a means of reducing the differential between public and private tuition charges. These operate similarly to other direct grants except the amount of money is usually linked to the difference in charges. The Maine Legislature recently enacted a program of this nature and funded it to the extent of $150,000.

Alternatives Regarding Aid to Private Institutions

In determining what form of state assistance can best help the private institutions, it is essential the Commission operate with a clear and specific understanding of the financial problems of the private sector. Further, the Commission must make an accurate prediction regarding the degree to which the several available alternatives will ameliorate these problems. At this point in time, there is very little factual information regarding the financial problems of the private colleges in Maine. Until this information is gathered, the Commission can only guess as to the efficacy of various solutions. Nevertheless, it seems appropriate at this time to at least call into

question one of the assumptions on which many of the Commissions seem to be operating.

Although it has been widely asserted that aid to students attending private institutions will indirectly assist these institutions in overcoming their financial difficulties, there is at least some evidence that this is not the case. In 1961, the State of New York initiated the Scholar Incentive Program. In the first six years of operation, the state invested $144 million in the effort. Of this amount, about $97.5 million went to students attending private institutions. It was frequently asserted that the program benefited the colleges as well as the students, and the best way to help the private colleges and universities was to expand the program. After an exhaustive study of the program, however, the Select Committee on the Future of Private and Independent Higher Education in New York State found that "...the Scholar Incentive Program, to date, has provided modest but important help to students and very little, if any, to institutions."[1] Apparently the Scholar Incentive Program was ineffectual in extricating the private institutions from their financial difficulties. The Committee emphasized, however, that it supported the Scholar Incentive Program to the extent that it benefited students.

The Committee went on to recommend that the state initiate a direct aid program to private institutions. The Committee cautioned, however, that the aid should not be categorical in nature nor awarded in massive sums to selected institutions in critical difficulty. The conditions established by the Committee are summarized as follows:

1. State aid should be available only for the support of education which is at least equal in quality to that provided by public institutions of the state.

2. The state should require prompt and complete financial reports including a certified audit.

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[1]Report of the Select Committee on the Future of Private and Independent Higher Education in New York State, p. 29

3. The program should be so administered so as to minimize the danger of political interference on the campus.

The committee recommended aid to eligible private colleges be calculated on the basis of number of earned degrees conferred annually with differentials for the appropriate levels approximately proportional to average differences in cost. The aid should be awarded by direct grant for general educational purposes.

Another direct grant approach was suggested by the New Jersey State Board of Higher Education. The New Jersey plan proposed that the state enter into several different types of contracts with private institutions for specific educational services. The Board maintained the contracts would:

1. increase the number of spaces available to New Jersey residents without additional capital expenditures,

2. encourage the enrollment in these institutions of students from lower income families and minority groups,

3. assist in lowering educational costs to students, and

4. assist in lowering of the effective operating costs per student in some institutions through increased utilization of resources, thereby contributing to their long term financial strength.

The plan offers three types of contracts to eligible institutions:

Contracts for Graduate and Professional Programs

The Board of Higher Education will accept proposals from the Board of Trustees of independent colleges and universities within the state for contract support of specialized graduate and professional programs for which, in the opinion of the Board, there is a demand.

The state will pay a negotiated price for specific services to be rendered to citizens of the state. Such contracts would reduce or eliminate the need for the state to create or expand certain specialized programs at

public institutions and would take maximum advantage of the special resources available at the private universities and colleges.

State Program for Utilization of Resources (SPUR)

The Board of Higher Education will offer to contract with the Boards of Trustees of private institutions to provide openings for additional in-state students above their current enrollment levels.

All independent colleges and universities within the state with regional accreditation and 500 or more full-time undergraduate students are eligible, except that the minimum enrollment provision shall not apply to single-purpose professional schools. If the Trustees of a college decide that they have physical plant facilities to accommodate additional students and that increasing the utilization of these facilities will strengthen the institution financially without seriously changing its character and mission, or if the Trustees decide that they have attained an optimum enrollment and use of facilities, they may propose to the Board of Higher Education a contract for maintaining or expanding enrollment.

Cost of Education Grants will be made to independent institutions for providing educational opportunities to in-state students with the widest range of economic background.

All independent colleges and universities within the state with regional accreditation and 500 or more full-time undergraduate students are eligible, except that the minimum shall not apply to single purpose professional schools.

A grant of $300 will be made to any participating private institution for each in-state full-time undergraduate, enrolled in the previous year, who is a recipient of state financial aid, exclusive of loans, or of awards by the institution of $1,000 or more.

II. State Student Grant Program

In order to narrow the gap between financial need and available student

aid resources, the Commission recommends that the Legislature enact a student grant program. The program should make funds available to both full-time and part-time students based on demonstrated financial need.

Grants would be awarded to Maine students attending any eligible institution of higher education within the State of Maine. This program is conceived as being a program of self help - definitely not a welfare program. The student is expected to contribute as much as is possible of himself - either through family, and/or personal contribution, work, loan, or a combination of these. The program will encourage more low income, but educationally qualified students to make themselves better able to face life's trials.

Post high school education comes in many packages, but basically it is preparation for a vocation rather than an avocation. While academic schools are busy turning out our future professionals, vocational institutions are doing as efficient a job of turning out blue collar workers and the State of Maine had dire need of well trained people in both areas.

The Advisory Commission endorses an Act as demonstrated under Proposed Act.

III. Tuition Policy

Tuition rates at the University of Maine have, in recent history, been geared primarily to the University's need for revenue. Tuition has provided a flexible source of money to which the University could turn in times of financial stress. On at least two occasions in recent years, the University has resorted to tuition increases to cover projected operating deficits resulting from budget cuts by the Legislature.

Although the commission believes that students should be expected to pay a portion of the cost of their education, the students' share should not be so large so as to establish financial barriers to higher education.

If we are to achieve this goal, the present policy must be changed.

Tuition rates must be geared not to the University's need for additional revenue but to the students' ability to pay.

The students' share of the instructional costs should be established and remain fixed even in times of financial difficulty.

As previously mentioned in this report, tuition increases often have a disastrous impact on students already enrolled at the University and the V.T.I.'s. It is the opinion of the commission that students should be able to plan their finances without fear of tuition increases during their academic career. The commission therefore recommends tuition increases apply only to students enrolled after the enactment of the increase.

The commission recognizes that responsibility for the establishment of tuition rates at the University of Maine rests with the Board of Trustees. This responsibility in regard to the V.T.I.'s rests with the State Board of Education. At the same time, any change in tuition policy that significantly alters the present revenue balance at the University or the V.T.I.'s, must have the tacit approval of the Legislature. Therefore, the commission makes the following recommendations to the Board of Trustees and the State Board of Education and respectfully requests the Legislature accept and recognize this policy in allocating funds to these institutions.

IV. Level of Support

All of Maine's public institutions of higher education submit budgets to the Legislature for appropriate action. The commission has a great deal of confidence in the Trustees and administrators of these institutions and respects their assessment of the educational needs of Maine people. The commission believes that the stated goals and objectives of our public institutions are consistent with the needs of the people as well as the policy of the Legislature. We, therefore, recommend that the Legislature increase support for the university and the V.T.I.'s to the full extent of their budget requests.

Background

The education of its citizens is the responsibility of each state. In no other way will a democracy work. We must continually broaden the base of our educational system. We have now reached that point in time when we can ill afford to lose even one qualified citizen just because of his lack of financial resources.

The 105th Legislature in Special Session passed and funded the State Tuition Equalization Program for FY 1973 to the tune of $150,000 for Maine students entering Maine private colleges, the intent being to encourage more students to attend the private institutions, thus saving spaces in the public colleges.

After nearly two years of discussion, Congress has passed the "Educational Amendments of 1972" which will bring new Federal dollars to the State of Maine. A new program of Federal matching grants to the states is established as an incentive to states to increase their appropriations for each years from FY 1973 through FY 1975, plus such sums as may be necessary for continuous grants. This program meshes very nicely with the Federal matching funds.

Possible Solutions

1. Tuition at the University shall not be raised until such time as the proportion of instructional costs paid by the student reaches 25%. This will occur naturally over time through the process of inflation. Once the proportion of instructional costs paid by the student reaches 25%, tuition shall be maintained at approximately this level. Tuition at the V.T.I.'s should remain at 17% of the instructional costs.

2. Any tuition increases at the University or the V.T.I.'s shall not exceed the rate of increase in per capita disposable income for the State of Maine.

3. Any tuition increases shall apply only to those students accepted by the institution after the increase has been enacted.

The Recommendations

The Advisory Commission makes the following recommendations to the 106th Legislature in response to S.P. 473 - L.D. 1492:

That there is established a Maine State Student Incentive Grant Program for qualified Maine students attending institutions of higher education, public, private and proprietary, which shall be financed by the state for the purpose of carrying out the objectives of this program, which program of student assistance shall be administered by the State Board of Education in cooperation with higher education institutions in Maine.

A Proposed Act

The following is a demonstration of an Act which could be submitted to the 106th Legislature.

MAINE STATE STUDENT
INCENTIVE GRANTS PROGRAM

AN ACT, Establishing the Maine State Student Incentive Grants Program.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. Establishment of State Student Incentive Grants Program.

(a) Establishment of and Eligibility for Program. There is hereby established a program, to be administered by the State Board of Education, of State Student Incentive Grants to residents of the State of Maine who -

(1) have been accepted for enrollment as undergraduates in, or are in good standing as undergraduates at, institutions of higher education in Maine (according to the prescribed standards, regulations and practices of such institutions);

(2) have applied for such grants to the State Board of Education according to such schedules and procedures, and on such forms, as the State Board of Education may require;

(3) have agreed in such manner as the State Board of Education may require, that costs not provided for by federal or state grants, shall be covered by the student and the student's family in the form of self help such as loans, and extra work, or by merit scholarships, veteran's benefits or other resources which the student has obtained by merit, previous service or similar personal effort.

(4) have been determined by the State Board of Education to be of substantial financial need according to the criteria set forth in subsection (b).

(b) Determination of Need.

(1) The State Board of Education shall establish the need of each student for a State Student Incentive Grant, for any academic year for which such student applies for such a grant, by determining the difference between -

(A) the sum of the student's expected family contribution, and the student's basic grant, if any, received under the Federal Basic Educational Opportunity Grant Program (20 U.S.C. 1070a) for the academic year for which the student is applying for a State Student Incentive Grant; and

(B) the actual cost-of-attendance at the institution of higher education at which the student has been accepted for enrollment, or at which the student is in good standing, except that $3,500 shall be the maximum allowable cost-of-attendance for any academic year for the purposes of determining the student's need for a State Student Incentive Grant.

(2) the difference between (A) and (B) in paragraph 1, with respect to any student, if any difference is determined, shall be such a student's need and shall serve as the basis on which the State Board of Education determines the State Student Incentive Grant to that student for any academic year in accordance with the provisions of subsections (c) and (d).

(c) Determination of Grants. Grants to eligible students under the State Student Incentive Grants Program shall be determined as follows, subject to the limitations set forth in subsection (d) which may be imposed at the discretion of the State Board of Education for any academic year:

(1) In the case of an eligible student who is in attendance on a full-time basis at an institution of higher education, the amount of the State Student Incentive Grant awarded such a student shall not exceed 50 percent of the need of that student determined in accordance with subsection (b), or $1500, whichever is less, for any single academic year.

(2) In the case of an eligible student who is in attendance at an institution of higher education on a less-than-full-time basis during any academic year, but who is in attendance on at least a half-time basis, the amount of the State Student Incentive Grant awarded to such a student shall be reduced in proportion to the degree to which that student is not so attending on a full-time basis.

(3) In no case shall a State Student Incentive Grant of less than $100 per year be awarded to any student, whether or not such student is in attendance at an institution on a full-time or less-than-full-time basis.

(4) In no case shall a student who is in attendance at an institution of higher education on a less-than-half-time basis, as defined by the State Board of Education, be awarded a State Student Incentive Grant.

(5) If a recipient of a State Student Incentive Grant at any time withdraws from an institution of higher education, and if under the rules and regulations of that institution of higher education the student is entitled to a refund of any tuition, fees, or other charges for the portion of the academic year which the student did not complete, the institution of higher education shall pay directly to the State from that refund a sum which represents the portion of the State Student Incentive Grant paid to the student for the portion of the academic year that the student did not complete.

(d) Schedule of Reductions in Grants. Prior to March 1 of each year, the State Board of Education shall evaluate the availability of state funds, or of state and federal funds, for the State Student Incentive Grants Program in relationship to the number of students eligible for grant assistance under the program and, if it is determined that funds will be insufficient to pay State Student Incentive Grants under the conditions set forth in subsection (c), the State Board of Education shall publish no later than March 1 a schedule of

reductions in State Student Incentive Grants for the succeeding academic year. Such a schedule of reductions shall be effective for not longer than one academic year, except if renewed by action by the State Board of Education prior to March 1 of the year following the date on which the schedule was first established.

(e) Initial and Continuation Grants. Each initial grant awarded to eligible students under the State Student Incentive Grants Program shall be awarded for a period not to exceed one academic year. Any student who has been awarded an initial grant, may apply to the State Board of Education, in accordance with application schedules and procedures established by the State Board, for a continuation grant for each year during the period required for completion of the undergraduate course of study being pursued by that student at the institution at which the student is in attendance, provided that the student is determined by the State Board of Education to be eligible for such a grant in accordance with the provisions of subsections (a) and (b).

(f) Undergraduate Course of Study. For the purposes of subsection (e), the period during which a student may receive a State Student Incentive Grant shall be the period required for the completion of the undergraduate course of study being pursued by that student at the institution at which the student is in attendance, except that such period may not exceed four academic years unless -

(1) the student is pursuing a course of study leading to a first degree in a program of study which is designed by the institution offering it to extend over five academic years; or

(2) the student is, or will be, unable to complete a course of study within four academic years because of a requirement of the institution of such course of study that the student enroll in a noncredit remedial course of study;

in either case such period may be extended for not more than one additional academic year. For the purposes of paragraph (2), a "noncredit remedial course of study" is a course of study for which no credit is given toward an academic degree, and which is designed to increase the ability of the student to engage in an undergraduate course of study leading to such a degree.

Sec. 2. Program Administration.

(a) Responsibility of State Board of Education. The State Board of Education shall have responsibility for administration of the State Student Incentive Grants Program, including establishment and maintenance of such fund accounting and control procedures as may be required by state law, or as may be necessary for the state to be eligible to receive federal assistance under the Federal State Incentive Grants Program, Title IV, Part A, Subpart 3 of the Higher Education Act of 1965, as amended (20 U.S.C. 1070c, 1070c-1, 1070c-2, and 1070c-3).

(b) Guidelines, Rules and Regulations. The State Board of Education shall develop such guidelines, rules, regulations, procedures, schedules and forms as are necessary to carry out the purposes of this program, except that to the maximum extent possible, consistent with the need for state control of this program, the State Board of Education shall use or follow the guidelines, rules, regulations, procedures, forms and schedules set forth by the U. S. Commissioner of Education for the administration of the Federal Basic Educational Opportunity Grant Program, Title IV, Part A, Subpart 1 of the Higher Education Act of 1965, as amended (20 U.S.C. 1070a) in the administration of the State Student Incentive Grants Program.

(c) Authority of State Board to Contract. The State Board of Education may, in accordance with state law and established state regulations and pro-

cedures, contract with another agency, organization or institution to accomplish specific aspects of the administration of the State Student Incentive Grants Program, except that the State Board shall retain unto itself the responsibility for making the evaluation as required under Section 1, subsection (d) of this Act.

Sec. 3. Definitions. For the purposes of the State Student Incentive Grants Program -

(a) "Resident of the State of Maine."

(1) The term "resident of the State of Maine" as used with respect to a person's eligibility for a State Student Incentive Grant, shall mean a person who has been a bona fide domiciliary of the state for at least one year immediately prior to the date on which he or she submits an application to the State Board of Education for a State Student Incentive Grant. This requirement does not prejudice the right of a person denied eligibility under this program because of his or her non-resident status to be placed thereafter on a resident basis provided that he or she has acquired a bona fide domicile of a year's duration within the state. Attendance at an institution of higher education in Maine neither constitutes nor necessarily precludes the acquisition of such a domicile. For the purposes of the State Student Incentive Grants Program, a person does not acquire a domicile in Maine until he or she has been in Maine for at least a year primarily as a permanent resident and not merely as a student; this involves the probability of his or her remaining in Maine beyond his or her completion of school.

(2) Subject to the provisions of paragraph (1), the domicile of an unmarried minor follows that of the parents or legally appointed guardian. The bona fide year-round domicile of the father, if living, otherwise that of the mother, is the domicile of such a minor; but if the father and the mother have separate places of residence, the minor takes the domicile of the parent

with whom he lives or to whom he has been assigned by court order. If neither of the parents is living, the unmarried minor takes the domicile of his legally appointed guardian.

(3) Subject to the provisions of paragraph (1), an adult student, defined for the purposes of this law as one who is either married or eighteen years of age or older, will be classified as a resident of Maine if he or she has completed twelve continuous months of domicile in Maine immediately preceding submission of his or her application to the State Board of Education for a State Student Incentive Grant.

(4) The resident status of a married person shall be based upon the such person's individual resident status and shall not be dependent upon the resident status of such person's spouse.

(b) "State Board of Education." "State Board of Education" means the State Board of Education as created pursuant to Section 51 of Title 20 of the Maine Revised Statutes, as amended effective July 1, 1972. The State Board of Education shall be the sole state agency for the purposes of administration of the State Student Incentive Grants Program.

(c) "Institution of Higher Education." For the purposes of this Act, "Institution of Higher Education" shall mean an institution of higher education located within Maine, which meets the requirements of, and conforms to, the definitions contained in Section 1201 of the Higher Education Act of 1965, as amended (29 U.S.C. 1141), and Section 491 of the Higher Education Act of 1965, as amended (20 U.S.C. 1088), and such regulations, guidelines and procedures as promulgated by the U. S. Commissioner of Education and published in the Federal Register pursuant to these sections of Federal law.

(d) "Academic Year" and "In Attendance." The terms "academic year" and "in attendance" shall have the same meaning as the definitions contained in Section 1201 of the Higher Education Act of 1965, as amended (29 U.S.C. 1141), and Section 491 of the Higher Education Act of 1965, as amended (20 U.S.C. 1088), and such regulations, guidelines and procedures as promulgated by the U. S. Commissioner of Education and published in the Federal Register pursuant to these sections of Federal law.

(e) "Actual Cost-of-Attendance." The term "actual cost-of-attendance" shall have the same meaning, and shall be determined in the same manner, as in the Federal Basic Educational Opportunity Grant Program, Section 411 of the Higher Education Act of 1965, as amended (20 U.S.C. 1070a), and such regulations, guidelines and procedures as promulgated by the U. S. Commissioner of Education and published in the Federal Register to define, or assist in the determination of, "actual cost-of-attendance." If the U. S. Commissioner of Education does not publish such regulations, guidelines and procedures, the State Board of Education shall promulgate state regulations, guidelines and procedures to be used in determining "actual cost-of-attendance" for the purposes of the State Student Incentive Grants Program.

(f) "Expected Family Contribution." The "expected family contribution" with respect to any student means the amount which the family of that student may be reasonably expected to contribute toward his post-secondary education for the academic year for which such student is seeking a State Student Incentive Grant. The system to be used in determining "expected family contribution" shall be uniformly applied to all students and shall be established by regulations by the State Board of Education. In establishing such system, the State Board of Education shall consider using the system as promulgated by the U. S. Commissioner of Education for the Basic Educational Opportunity

Grant Program pursuant to Section 411 of the Higher Education Act of 1965, as amended (20 U.S.C. 1070a), or systems commonly used by colleges and universities such as those of the College Scholarship Service or American College Testing Service.

Sec. 4. Appropriation.

To carry out the purposes of this program, there is appropriated to the Department of Educational and Cultural Services, out of any monies in the general fund not otherwise appropriated, the following sums -- for the fiscal year beginning July 1, 1973 and ending June 30, 1974, the sum of $35,000; for the fiscal year beginning July 1, 1974 and ending June 30, 1975, the sum of $5,036,500, the respective breakdowns of which shall be as follows:

	1973-1974	1974-1975
Educational and Cultural Services, Department of		
Education Administration		
Personal Services (2)	$22,940	(2) $22,975
All other	12,060	13,525
Total, Education Administration	$35,000	$36,500
Grant, Loan and Scholarship Programs		
Maine State Student Incentive Grants Program	-	$5,000,000
Total, Maine State Student Incentive Grants Program	-	$5,000,000
Total, Department of Educational and Cultural Services	$35,000	$5,036,500

It is the intent of this Legislature (1) that the $5,000,000 appropriated for the Maine State Student Incentive Grants Program for the fiscal year ending June 30, 1975 shall be restricted to the purpose of making State Student Incentive Grants to eligible students for which grants the State Board of Education

shall not expend in excess of $2,500,000 in the fiscal year ending June 30, 1975, and (2) that notwithstanding the provisions of the Revised Statutes of 1964, as amended, Title 5, Section 1544, the sum of $2,500,000 appropriated for the fiscal year ending June 30, 1975 shall not lapse to Unappropriated Surplus but shall be carried to the fiscal year beginning July 1, 1975 and ending June 30, 1976 to be expended in that year by the State Board of Education solely for the same purpose.

STATEMENT OF FACT

It is the purpose of this Act to implement the intention of the 103rd Legislature which enacted R.S.T. 20 Sec. 2251 - Public Policy on Higher Education. To quote from the preamble to that legislation - The people of Maine are desirous of and entitled to equal opportunity for a quality post high school education. It is hereby recognized that all citizens of Maine who are desirous of post secondary education, especially those with limited financial resources, are considered eligible to acquire the appropriate education or training.

This bill creates a student oriented program which will enable any qualified Maine citizen to attend an institution of his own choice in Maine and thus allow no further perpetuation of the waste of much of our human resources.

The appropriations provided would provide personnel and related costs of administration of the program, including $10,000 in each fiscal year for contracting with testing or other agencies for the furnishing of specific aspects related to the program as authorized in section 2 (c) of the bill, which services would need to be performed in the fiscal year preceding the making of the grants. Further, the provisions of the bill require the State Board of Education to make determinations not later than March 1 of each year with respect to grant funds available in the following academic year, which requires that appropriations for the grant program be made in the fiscal year preceding the academic year in which the grants will be made.

APPENDICES

Total parents' contribution from adjusted effective income by size of family*

Adjusted effective income	Number of dependent children									
	1	2	3	4	5	6	7	8	9	10
$ 1,875–$ 2,124	$–500	$–500	$–500	$–500	$–500	$–500	$–500	$–500	$–500	$–500
2,125– 2,374	–500	–500	–500	–500	–500	–500	–500	–500	–500	–500
2,375– 2,624	–500	–500	–500	–500	–500	–500	–500	–500	–500	–500
2,625– 2,874	–500	–500	–500	–500	–500	–500	–500	–500	–500	–500
2,875– 3,124	–500	–500	–500	–500	–500	–500	–500	–500	–500	–500
3,125– 3,374	–450	–500	–500	–500	–500	–500	–500	–500	–500	–500
3,375– 3,624	–370	–500	–500	–500	–500	–500	–500	–500	–500	–500
3,625– 3,874	–290	–460	–500	–500	–500	–500	–500	–500	–500	–500
3,875– 4,124	–210	–390	–500	–500	–500	–500	–500	–500	–500	–500
4,125– 4,374	–130	–320	–460	–500	–500	–500	–500	–500	–500	–500
4,375– 4,624	– 50	–260	–400	–500	–500	–500	–500	–500	–500	–500
4,625– 4,874	30	–190	–340	–470	–500	–500	–500	–500	–500	–500
4,875– 5,124	110	–120	–290	–420	–490	–500	–500	–500	–500	–500
5,125– 5,374	190	–50	–230	–360	–440	–500	–500	–500	–500	–500
5,375– 5,624	270	10	–170	–310	–390	–450	–480	–490	–500	–500
5,625– 5,874	350	70	–110	–260	–340	–400	–430	–450	–500	–500
5,875– 6,124	430	140	–60	–210	–290	–360	–390	–410	–460	–460
6,125– 6,374	510	210		–150	–240	–310	–340	–360	–410	–420
6,375– 6,624	590	280	50	–100	–190	–260	–300	–320	–370	–380
6,625– 6,874	670	340	110	–60	–140	–210	–250	–280	–330	–340
6,875– 7,124	750	410	170		–90	–170	–210	–240	–290	–300
7,125– 7,374	830	480	220	50	–40	–120	–160	–190	–240	–260
7,375– 7,624	910	550	280	100	10	–70	–120	–150	–200	–220
7,625– 7,874	990	610	340	150	60	–20	–70	–110	–160	–180
7,875– 8,124	1,060	680	400	210	110	20	–30	–70	–120	–140
8,125– 8,374	1,120	750	450	260	160	60	10	–20	–70	–100
8,375– 8,624	1,190	820	510	310	210	110	60	10	–30	–60
8,625– 8,874	1,250	890	570	360	260	160	100	50		–20
8,875– 9,124	1,310	950	630	420	310	210	150	100	50	20
9,125– 9,374	1,390	1,020	680	470	360	250	190	140	90	60
9,375– 9,624	1,460	1,080	740	520	410	300	240	180	130	100
9,625– 9,874	1,530	1,140	800	570	460	350	280	220	170	140
9,875– 10,124	1,610	1,210	860	630	510	400	330	270	220	180
10,125– 10,374	1,690	1,270	910	680	560	440	370	310	260	220
10,375– 10,624	1,780	1,340	970	730	610	490	420	350	300	260
10,625– 10,874	1,860	1,410	1,030	780	660	510	460	390	340	300

Table E (continued)

Total parents' contribution from adjusted effective income by size of family

Adjusted effective income	Number of dependent children								
	1	2	3	4	5	6	7	8	9	10
10,875–$11,124	$ 1,950	$ 1,480	$ 1,090	$ 840	$ 710	$ 590	$ 510	$ 440	$ 390	$ 340
11,125– 11,374	2,050	1,550	1,150	890	760	630	550	480	430	380
11,375– 11,624	2,150	1,630	1,210	940	810	680	600	520	470	420
11,625– 11,874	2,250	1,720	1,280	990	860	730	640	560	510	460
11,875– 12,124	2,350	1,800	1,350	1,040	910	780	690	610	560	500
12,125– 12,374	2,470	1,890	1,420	1,110	960	820	730	650	600	540
12,375– 12,624	2,590	1,980	1,490	1,170	1,010	870	780	690	640	580
12,625– 12,874	2,700	2,080	1,570	1,230	1,060	920	820	730	680	620
12,875– 13,124	2,820	2,180	1,650	1,290	1,120	970	870	780	730	660
13,125– 13,374	2,960	2,280	1,740	1,370	1,180	1,010	910	820	770	700
13,375– 13,624	3,100	2,390	1,820	1,440	1,240	1,060	960	860	810	740
13,625– 13,874	3,240	2,510	1,910	1,510	1,310	1,120	1,000	900	850	780
13,875– 14,124	3,370	2,630	2,000	1,590	1,380	1,190	1,050	950	900	820
14,125– 14,374	3,510	2,740	2,100	1,670	1,450	1,250	1,100	990	940	860
14,375– 14,624	3,650	2,870	2,200	1,760	1,520	1,310	1,170	1,030	980	900
14,625– 14,874	3,790	3,010	2,300	1,840	1,600	1,380	1,230	1,090	1,020	940
14,875– 15,124	3,920	3,150	2,420	1,930	1,680	1,460	1,290	1,150	1,070	980
15,125– 15,374	4,060	3,280	2,540	2,030	1,770	1,530	1,360	1,220	1,140	1,020
15,375– 15,624	4,200	3,420	2,660	2,130	1,850	1,600	1,430	1,280	1,200	1,090
15,625– 15,874	4,340	3,560	2,770	2,230	1,940	1,690	1,510	1,350	1,260	1,140
15,875– 16,124	4,470	3,700	2,910	2,330	2,040	1,770	1,580	1,420	1,330	1,200
16,125– 16,374	4,610	3,830	3,050	2,440	2,140	1,860	1,660	1,490	1,400	1,260
16,375– 16,624	4,750	3,970	3,180	2,560	2,240	1,940	1,750	1,570	1,470	1,330
16,625– 16,874	4,890	4,110	3,320	2,680	2,340	2,040	1,830	1,650	1,550	1,410
16,875– 17,124	5,020	4,250	3,460	2,800	2,460	2,140	1,920	1,740	1,620	1,480
17,125– 17,374	5,160	4,380	3,600	2,940	2,570	2,240	2,010	1,820	1,710	1,550
17,375– 17,624	5,300	4,520	3,730	3,070	2,690	2,340	2,110	1,910	1,790	1,630
17,625– 17,874	5,440	4,660	3,870	3,210	2,810	2,460	2,210	2,010	1,880	1,720
17,875– 18,124	5,570	4,800	4,010	3,350	2,950	2,580	2,310	2,110	1,970	1,810
18,125– 18,374	5,710	4,930	4,150	3,490	3,080	2,700	2,430	2,210	2,070	1,890
18,375– 18,624	5,850	5,070	4,280	3,620	3,220	2,810	2,550	2,310	2,170	1,980
18,625– 18,874	5,990	5,210	4,420	3,760	3,360	2,950	2,660	2,420	2,270	2,060
18,875– 19,124	6,120	5,350	4,560	3,900	3,500	3,090	2,780	2,540	2,380	2,190
19,125– 19,374	6,260	5,480	4,700	4,040	3,630	3,230	2,910	2,660	2,500	2,290
19,375– 19,624	6,400	5,620	4,830	4,170	3,770	3,360	3,050	2,770	2,610	2,410
19,625– 19,874	6,540	5,760	4,970	4,310	3,910	3,500	3,190	2,910	2,730	2,520

APPENDIX B

Comparisons of State Effort

Comparisons of state effort are not the only nor perhaps even the best measure of a state's higher education system. But they may point out at least in a general sense, areas of weakness and strength. For this reason, I have gathered the following data:

1. In 1968, 41% of the 18-21 year olds in the nation enrolled in American colleges and universities. In Maine, less than 30% of this age group enrolled.

2. In 1968, 34% of the 18-21 year olds in the nation enrolled in institutions within their own state. In Maine, less than 20% of this age group enrolled in colleges and universities within the state.

3. Maine now ranks 50th in the country in the per cent of high school graduates going on to higher education.

4. In 1953-54, Maine spent .184% of its per capita income on public higher education. In 1967-68, this figure rose to .589%. In that same time period, Maine has not risen from 42nd place.

5. In 1968-69, Maine spent 5.99% of its state and local taxes on higher education. This effort places Maine in 41st place among the states.

6. Maine ranks 35th among the states in per capita personal income and 32nd in per capita general fund expenditures. But Maine chose to invest only $28.43 per capita in higher education, barely enough to claim 41st rank.

7. From 1968-69 to 1970-71, Maine ranked 7th among all states in rate of increase in public support for higher education. In 1971-73, Maine dropped to 33rd place among the states in rate of increase for that period.

8. Although there have been significant dollar increases in support for higher education in recent years, when appropriation figures are adjusted to eliminate the effect of inflation, it becomes clear that state support of

the University has not increased.

9. Per cent of state expenditures devoted to higher education dropped from 9.0% in 1968 to 6.8% in 1970.

10. In 1967, Maine ranked 47th among the states in total federal obligations to universities and colleges.

APPENDIX C

Constitutional Questions Regarding Aid to Private Institutions

The Constitution of the United States prohibits the making of laws "respecting an establishment of religion." This restriction applies to the states through the 14th Amendment. Interpretations of the "Establishment" Clause have resulted in much litigation and the guidelines set down by the courts have not always been clear.

In School District of Abington Township, Pa., et al v. Schempp, the Supreme Court formulated the following test:

> "What are the primary purpose and the primary effect of the amendment? Of either is the advancement of inhibition of religion then the enactment exceeds the scope of legislative power as circumscribed by the Constitution. That is to say that to withstand the strictures of the Establishment Clause, there must be a secular legislative purpose and a primary effect that neither advances nor inhibits religion."

In Horace Mann v. The Board of Public Works, the Supreme Court held that "...Hood, although it is a church related school, may constitutionally receive state grants. It can not be said to be "sectarian" in a legal sense or to a degree that renders the grant invalid under the first amendment. The college's stated purposes in relation to religion are not of a fervent, intense or passionate nature, but seemed to be based largely upon its historical background. Thus, the primary purpose of the grant to Hood College was not to aid or support religion." The Mann case declared unconstitutional, however, a grant to a college affiliated with the Methodist Church and two grants to Catholic colleges. The Court stated the grants "in a legal and constitutional sense (showed) a purpose to use the state's coercive power to aid religion."

The Court has held that the Higher Education Facilities Act of 1963 providing federal construction grants for college and university facilities, excluding facilities to be used for sectarian instruction, religious worship, or in connection with any part of the program of a school or department of divinity, was constitutional because it had neither the purpose nor the effect of promoting religion. The Court listed three main concerns against which the Establishment Clause sought to protect: "sponsorship, financial support, and active involvement of the sovereign in religious activity."

Aid programs that grant money to students rather than directly to institutions have generally avoided constitutional barriers. However, there is some support for the position that student grant programs designed specifically to preserve private institutions do not circumvent the Establishment Clause. Maine's Deputy Attorney General, John Benoit, offered this position in an advisory opinion regarding the State Tuition Equalization Program (Haskell Program).

Constitutional problems are not limited to the federal Constitution. Fourteen states have constitutional provisions explicitly prohibiting appropriations of money or property to privately controlled schools or institutions. The Maine Constitution, while not prohibiting aid to private institutions, does impose certain conditions. Section 1, Article VIII of the Maine Constitution reads as follows:

> "A general diffusion of the advantages of education being essential to the preservation of the rights and liberties of the people; to promote this important object, the Legislature are authorized, and it shall be their duty to require, the several towns to make suitable provision, at their own expense, for the support and maintenance of public schools; and it shall further be their duty to encourage and suitably endow, from time to time, as the

circumstances of the people may authorize, all academies, colleges and seminaries of learning within the State; provided, that no donation, grant or endowment shall at any time be made by the Legislature to any literary institution now established, or which may hereafter be established, unless, at the time of making such endowment, the Legislature of the State shall have the right to grant any further powers to, alter, limit or restrain any of the powers vested in, any such literary institution, as shall be judged necessary to promote the best interests thereof."

The proviso imposes the condition on schools receiving State aid that the Legislature shall have certain controls over the institution. The Supreme Court, however, has held in Allen v. McKean that a state legislature cannot constitutionally have these controls over a private institution unless they are specifically reserved in the incorporating act. The only private school in Maine over which legislative control was reserved in the incorporating act is Colby College.

To date, Article VIII has engendered few Maine cases and does not appear to have had any effect on educational institutions in Maine. Should the proviso in Article VIII be tested in the courts, however, there is every indication that it would be declared unconstitutional.

James S. Coles, chairman
Brunswick
President of the University of Maine
ex officio
Commissioner of Education
ex officio
Commissioner of Economic Development
ex officio
Edward Y. Blewett
Portland
Benjamin J. Dorsky
Bangor

State of Maine

ADVISORY COMMISSION FOR THE
HIGHER EDUCATION STUDY

Senator Roger V. Snow, Jr.
Falmouth
Representative Kenneth R. Gifford
Manchester
Arnold F. McKenney
Auburn
Hugh C. Saunders
Westbrook
John C. Sealey, Jr.
Brownfield
Clifford O. T. Wieden
Presque Isle

January 14, 1967

To the Honorable Kenneth M. Curtis
Governor of Maine, and
to the Legislature of the State of Maine

Your Excellency, Ladies, and Gentlemen:

The Advisory Commission for the Higher Education Study for the State of Maine, appointed by the Governor in accordance with Chapter 29 Resolves, 102nd Legislature, herewith respectfully transmits its report, Higher Education in the State of Maine, as approved by unanimous vote of the Commission.

The Commission believes that the recommendations it makes in its Report deserve careful study, and that by their adoption and implementation, splendid programs and facilities for diversified higher educational opportunity can be brought to the youth of Maine during the next several decades.

Respectfully submitted,

James S. Coles

James S. Coles, Chairman

Standish K. Bachman
Edward Y. Blewett
Benjamin J. Dorsky
Kenneth R. Gifford
William T. Logan, Jr.
Arnold F. McKenney
Hugh C. Saunders
John C. Sealey, Jr.
Roger V. Snow, Jr.
Clifford O. T. Wieden
Edwin Young

HIGHER EDUCATION IN THE STATE OF MAINE

REPORT

OF THE

ADVISORY COMMISSION FOR THE HIGHER EDUCATION STUDY

TO

THE HONORABLE KENNETH M. CURTIS
GOVERNOR OF MAINE

AND

THE LEGISLATURE OF THE STATE OF MAINE

Prepared in accordance with
Chapter 29 Resolves
of the 102nd Legislature
State of Maine

JANUARY 14, 1967

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HIGHER EDUCATION IN THE STATE OF MAINE

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PREFACE

For any group of citizens to undertake a study ". . . with recommendations for a master plan for the development of all state public institutions of higher education . . ." is a large task. The Advisory Commission for the Higher Education Study has accepted the task, and by this Report sets forth a plan by which it believes the greatest quality, coordination, and efficiency can be obtained among all publicly supported institutions of higher education in Maine, while at the same time offering the fullest opportunity for their development. Such important factors as providing diversity of offerings for students of differing interests, abilities, and backgrounds, autonomy of institutional units within a coordinated overall framework, and as eliminating unnecessary duplication of expensive facilities and programs, have governed the Commission in its recommendations, and should govern whatever action and developments may be based upon them.

In fulfilling its charge, and by authority granted by the enabling legislation, the Commission employed the Academy for Educational Development, Inc., (AED) to carry out a comprehensive study of higher education in the State of Maine. This study was completed with the submission of its report by AED to the Commission on September 30, 1966.

Prior to and during the course of this study by AED, the Commission met with numerous experts and consultants on higher education and on surveys and planning, and discussed in depth the state of higher education in Maine. Members of the AED Consultant Panel and other consultants in specialized areas (such as teacher education and vocational-technical education) conferred with many constituencies, both lay and professional, concerned with higher education in the State of Maine. Opinion and comment was requested from all college faculty and from high school principals throughout Maine, by questionnaires returned directly to AED on a confidential basis. The AED report reflects those discussions and responses.

Subsequent to the presentation of its Tentative Report on October 31, 1966, the Commission has benefitted from discussions of its report and recommendations with the official groups and agencies primarily concerned, including the State Board of Education; the Trustees and the President of the University of Maine; the Presidents of the State Colleges; the Directors of the Vocational-Technical Institutes together with associated officers of the State Department of Education; the Trustees, Board of Visitors and the Superintendent of the Maine Maritime Academy; the Legislative Research Committee; the Executive Committee of the Maine Teachers Association; the Educational Conference Board; the Governor's Advisory Committee on Education; and the Presi-

dents of the private colleges and institutes. The Commission has also benefitted from communication with groups such as the Portland City Council and the Education Committee of the Greater Portland Chamber of Commerce, and with individuals who have studied the report. It is deeply indebted for the critical comments and queries it has received.

In making its report and recommendations, the Commission understandably relies heavily upon the thorough study by the Academy. The Commission's report draws its primary recommendations, and much of its phrasing, from the Academy's report. It does this without embarrassment, for in the Commission's own consideration and discussion, it finds difficulty in significantly improving either the substance or the style of the AED report. The report of the Commission is purposely limited in background data and discussion, and in exposition of its recommendations. The report of the Academy gives such data and discussion in full, and should be read where further detail is desired. In addition to the printed report of the Academy, the Commission has in its files nineteen volumes of consultants' reports, tabulated data, and other material, gathered by the Academy during the course of its study. These will prove useful in the development of the master plan recommended by the Commission.

This report supersedes the Tentative Report of the Commission presented in October. That earlier report was made to inform the people of Maine, and the governing bodies or agencies of those institutions covered by recommendations of the Commission, of the nature of recommendations being contemplated, so that there could be full opportunity for the Commission to receive suggestions and comments with respect to its report and recommendations. All such responses have been carefully considered. This report reflects this further consultation and study by the Commission.

THE NECESSITY OF HIGHER EDUCATION IN THE LATE TWENTIETH CENTURY

The Commission believes that the people of the State of Maine desire the full range of benefits which a high quality, comprehensive system of higher education can offer. The Commission believes that there is no more urgent matter requiring the immediate attention of the citizens of the State of Maine and the immediate action by the State than the development and improvement of higher education.

No state which hopes to progress can remain aloof from the trend toward greater opportunity for higher education; nor can any state expect to isolate its citizens from the social and economic forces which every day are making higher education more a necessity and less a luxury for the majority of its citizens. The availability of effectively trained manpower will help to attract more industry, more educated manpower, and more families with educational aspirations for their children. In this way what may seem to be a circle of "train and lose" will become an ever-widening circle of opportunity, educationally for the youth of the state and economically for all the people of Maine.

If Maine is to realize these benefits, new higher educational opportunities must be developed, existing ones greatly strengthened, and duplicating or competing programs coordinated in the interest of effectiveness and economy.

The Commission recognizes that the changes it recommends cannot be made all at once and that some will require further scrutiny. A start must be made, however, and a program of reorganization and revision set in motion.

THE NEED FOR CHANGE

After considering the wide ranging recommendations of this report and contemplating the effort required to conceive and implement a continually developing master plan one can well ask, "Why bother to change at all?" This question suggests Maine should be satisfied with its higher education as it exists today. Yet, the Legislature, in response to demands from informed people in Maine, was sufficiently dissatisfied with the situation as it presently exists to authorize and fund this study.

Basically, Maine is faced with the situation in which too many of its men and women of college age do not continue their education beyond the high school, either through lack of opportunity, lack of knowledge of opportunities which do exist, lack of

funds, or lack of motivation. Any one of these reasons is equally costly to the deprived individual, and to the people of Maine as well. In our institutions of higher education we are faced also with a disparity of standards and of quality, of programs, faculty, and facilities. Simultaneously, we have costly duplication of facilities and programs — a luxury we can ill afford. And for the Legislature as well as the public, there is a confusion of voices speaking for higher education, and pleading for funds for both current and capital budgets.

THE BENEFITS OF CHANGE

Change for its own sake is not necessarily beneficial. Change well justified, and carried out according to a carefully conceived plan, flexible enough to respond to changing conditions and needs, can result in better, fuller, and wider ranging higher educational programs and more education for each tax dollar spent, than will uncordinated, uncontrolled, unintegrated growth.

Maine's greatest need is the availability of more educational opportunity for its youth: a diversity of programs to provide for the interest and aptitude of the individual as well as the needs of the state, a variety of levels to match the abilities of the students, and the existence of institutions within reasonable commuting distance of a student's home to make education available at the lowest cost to the individual. Full transferability of credits from one institutional unit to another of similar type is required. Weaker institutions must be brought closer to the quality of the strong. Undesirable competition must be eliminated. Greater autonomy for individual campuses, divisions, and faculties than has existed in the past is necessary to a vigorous and viable program of comprehensive public higher education. Only thus can the faculties of the several campuses and divisions be encouraged in the development of diversity and individuality of programs within the overall statewide objectives. At the same time, existing obligations to present faculty and employees with respect to tenure, retirement, and other benefits must be honored.

SUMMARY OF STUDY

This study of the Commission has concerned itself primarily with where Maine stands today with respect to higher education, relative to what is being offered by other states to their college age youth, and relative to where Maine should go. It does not attempt to recapitulate the accomplishments of the past ten or

fifteen years, remarkable as many of them have been. The study is concerned with where Maine is going, and the program of higher education which it will have for its young people in the Twenty-first Century. Institutions of higher education have a habit of lasting for centuries, and, in their grand concepts, should be planned for the centuries.

Although we do not make detailed quantitative predictions or prognostications beyond 1985, our long range goals must carry us much further. Estimates in terms of dollar costs for the full implementation of the Commission's recommendations could be made, but for several reasons they would be unsatisfactory. If we recognize that there will be a doubling of the enrollment in publicly supported institutions by 1975, and a trebling by 1985, we recognize that there will be a multiplication of costs. Good education costs money, but it is money well spent. A unified, well integrated and well coordinated system of higher education will represent money even better spent. An uncoordinated, duplicating and internally competing system will be wasteful, and unnecessarily expensive.

In the study of the Academy, and in the Commission's own deliberations, several alternatives for the organizational structure of higher education on a statewide basis were carefully considered. All have been tried one place or another, and have been effective to a greater or smaller degree in differing situations. The plan for the statewide university structure recommended by the Commission is based upon our particular situation and needs here in Maine, in terms of our youth, population, existing institutions, geography, and resources.

The Commission's recommendations are presented in four groups. Group A contains two recommendations for immediate consideration by the Legislature: first, to adopt a broad statement of public policy with respect to higher education, and second, to establish the state university system to encompass all publicly supported higher education in Maine. Group B contains thirteen recommendations to be considered as the detailed master plan for higher education in Maine is developed. While these recommendations do not require immediate legislative action, they do indicate the kind of coordination which might be expected under the master plan to be developed, and further, provide the best advice the Commission can give for the state as a whole on the basis of the intensive study it has made to date. Group C contains three recommendations which will require legislative action, either now or at some future time, whether or not any other recommendations are adopted. Group D includes two recommendations to all institutions, private as well as public, which require no legislative action.

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AN IMMEDIATE CONCERN

Regardless of the discussion and debate engendered by the recommendations of the Commission contained in this report, public higher education in Maine is a present and ongoing enterprise. It has immediate and current responsibilities to students and to state. These must be met. Therefore, for the next biennium, appropriations for both capital and current expenditures must be made. The projection of a better future for higher education in Maine must not be used as an excuse for not meeting the needs of the present. It is obvious also, that for the continuing concern of the University, the State Colleges, the Maritime Academy, and the Vocational-Technical Institutes, operation must continue under present control and responsibility until such time as transfer of control to the newly established board can be accomplished in an orderly fashion.

RECOMMENDATIONS - (Group A)

FOR IMMEDIATE CONSIDERATION BY THE LEGISLATURE

Statement of Public Policy on Higher Education

1. The Commission RECOMMENDS that the Legislature adopt a comprehensive statement of public policy which assigns high priority in the allocation of funds and in the passage of laws to the expansion and strengthening of public and private higher education programs and institutions within the State of Maine. The Commission recommends the adoption of the following as the public policy of the State of Maine in respect to higher education, urging that Maine:

   a. Recognize higher education as an organized program of instruction or research, primarily concerned with the field of organized knowledge, related theory, and associated practice, which is administered by a collegiate institution (not necessarily a four-year institution) authorized to award academic degrees, and systematically pursued on a full-time or part-time basis by persons who have completed secondary school or who demonstrate equivalent competence through appropriate means.

   b. Support the principles that each higher education institution in the State of Maine — public and private — shall have control over its education program and related activities within its board of control, and that its faculty shall enjoy the freedom traditionally accorded higher education institutions in teaching, research, and expression of opinions.

c. Develop, maintain, and support a structure of public higher education in the State of Maine which will assure the most cohesive system possible for planning, action, and service in providing higher education opportunities, to which the highest priority for fiscal support is assigned.

d. Provide in its public higher education institutions, or through cooperative arrangements with private institutions or institutions outside the state, the programs of study, research, or experimentation that its citizens may require.

e. Encourage the growth and development of existing or new private higher education institutions within its borders where studies justify their continuation or establishment.

f. Recognize that all citizens of Maine shall be considered eligible for the benefits of higher education whether they are high school graduates or the equivalent, or those seeking retraining or training for new careers.

g. Assign continually a high priority in the allocation of public funds to the development of services, programs, and institutions designed to provide opportunities for those who do not now share equitably in the advantages of higher education, because of limiting economic, social, educational, and cultural factors.

h. Support financially the programs of its public higher education institutions through appropriations, grants, and loans, based on comprehensive plans and budgets, both short-term and long-term; and expect appropriate public accountability for such support.

i Encourage all its institutions — public and private — to make maximum use of Federal funds available for the support of higher education programs and activities. In support of this policy, the State of Maine should provide matching funds, where necessary, initially and on a continuing basis.

j. Expect and request cooperative undertakings among the higher education institutions — public and private — and between them and the business, industrial, and labor interests of the State in order to further the development of quality and quantity in educational programs and services and the advancement of the State's economy.

k. Encourage through financial support and the expectation of annual reporting a continuing program of evaluation and research with respect to higher education opportunities in the State of Maine.

1. Give through legislative actions and appropriate publicity a high priority to the provisions of the master plan for higher education as these are stated and revised from time to time by responsible educational and governmental authorities.

The Commission believes that the higher education needs of the State of Maine can be met most effectively and rapidly and at the most reasonable cost to the taxpayers of the State of Maine and to the maximum benefit of the State's educationally deprived if a single unified university system of public higher education is established.

The University of the State of Maine

2. The Commission RECOMMENDS that the Legislature should take such steps and actions as are necessary to incorporate all existing public higher education institutions in the State of Maine, including the University, the five State Colleges, the four Vocational-Technical Institutes, the Maritime Academy, and any branches, campuses, or schools maintained by these institutions and any future public higher education institutions which might be established, into a statewide university system under the name and authority of THE UNIVERSITY OF THE STATE OF MAINE. Legal and full control of the aforenamed institutions shall be transferred to the Trustees of The University of the State of Maine on July 1, 1968.

   a. The Board of Trustees of The University of the State of Maine should constitute the public body responsible for the development of policy with respect to the planning and coordination of all public higher education in the State of Maine. The board should comprise fifteen members in recognition of the broader statewide responsibilities which must be undertaken by The University of the State of Maine. Fourteen of the trustees should be appointed by the Governor to serve seven-year overlapping terms. The Commissioner of Education should serve *ex officio*.

   b. The Board of Trustees of The University of the State of Maine should have sole authority to appoint the President of the University, who should serve at the pleasure of the Board and be the chief administrative and education officer for The University of the State of Maine. The President, with the approval of the Board of Trustees, should appoint persons to head the various campuses, centers, branches, and major divisions established as part of The University of the State of Maine.

c. All separate campuses, centers, or [illegible] appropriately designated as being part of The University of the State of Maine; the chief administrators should report to the President and should have the title of Chancellor, Provost, or Dean, depending on the type and size of institution over which each presides. All faculty and staff in branches, campuses, divisions, programs, and centers should be considered members of the Faculty of The University of the State of Maine.

d. A council, with the President as chairman, should be formed of the administrative heads of the branches and campuses for the purpose of insuring regular and close coordination of programs, activities, and planning. In formulating its various policies, the council may be expected to make extensive use of *ad hoc* statewide University committees of faculty and administrators, as well as representatives of the general public.

e. The Board of Trustees of The University of the State of Maine, on the recommendation of and in consultation with the President of the University should also be responsible for:

(1) developing and putting into effect a master plan for The University of the State of Maine, incorporating from this report such appropriate recommendations as pertain to public higher education and providing for the regular revision of this plan as may be required by changing conditions;

(2) approving the operating and capital budgets of The University of the State of Maine and transmitting them directly to the Governor and the Legislature for their consideration and action;

(3) representing all branches, campuses, and divisions of the University before the Governor and the State in explaining and justifying all appropriation requests;

(4) evaluating and approving proposals for new or expanded educational research, and public service programs for the University, and encouraging programs and activities to further the conduct of research and the introduction of modern technology;

(5) evaluating and approving proposals for new campuses, centers, and branches, and making recommendations to the Governor and the Legislature with respect to these needs;

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(6) developing arrangements for a division of the responsibility among the University's various campuses, branches, and centers, for specialized graduate and professional programs and University-based research;

(7) developing arrangements within the University and with other institutions for the sharing of facilities — libraries, laboratories, and other resources — where feasible as an alternative to duplicating various types of facilities;

(8) providing for the establishment of standards and overall coordination on a statewide basis of off-campus programs of extension and continuing education;

(9) establishing the priorities for the physical plant development of the University and seeking directly from the Governor and the Legislature appropriations for planning, building, and land acquisitions, and overseeing all construction at the various branches, campuses, and centers of the University; and

(10) reporting annually to the Governor, the Legislature, and to the people of Maine on its plans and accomplishments including a complete fiscal accounting of its operations where both public and private funds are involved.

RECOMMENDATIONS - (Group B)

For Developing Within Master Plan

Program Assignments, University Community Centers, Associate Degrees

3. The Commission RECOMMENDS that the various campuses and branches under the proposed University of the State of Maine should be assigned program and service responsibilities as recommended in the report of the Academy for Educational Development, including the identification of certain campuses as University Community Centers. These Centers should be established in Portland, Auburn, Augusta, Bangor (Dow campus), Fort Kent, and Machias, and they should provide a variety of terminal and transfer opportunities offering certificates and associate degrees in vocational, technical, and general education for commuting students.

Teacher Education

4. The Commission RECOMMENDS that The University of the State of Maine in carrying out its enlarged responsibilities for all public higher education should oversee all public programs of teacher education under a statewide plan to be developed in cooperation with the Maine Teachers Association, the State School Boards Association, the State Board of Education, and the private colleges following the detailed recommendations contained in the report of the Academy for Educational Development.

Coordination and Contracts With Private Institutions

5. The Commission RECOMMENDS that the University of the State of Maine in its much expanded role should maintain close communication with the private institutions and seek advice from them on how best to meet the State's needs. In fact, the University should contract with the private institutions to undertake programs in certain areas of the State where University resources are either limited, not presently available or likely to be non-existent for some time.

Enrollment Projections

6. The Commission RECOMMENDS that the proposed University of the State of Maine should adopt the higher education enrollment figures projected by AED as its goals for the expansion of higher education opportunities in the State of Maine. These call for total enrollment in institutions of higher education to grow from 24,500 full- and part-time students in 1965 to 55,400 in 1975 and to 75,000 in 1985. With more than 50% of this growth projected in enrollment in two-year terminal and transfer and continuing education programs, it is to be expected that the bulk of the burden for the recommended enrollment growth must fall upon the public higher education system because the private institutions are not equipped to handle it on the scale which will be required. At the present time 68% of the full- and part-time students in higher education in Maine are in public institutions; by 1975 it is predicted that 80% will be.

High priorities should therefore be assigned to the development of the recommended University Community Centers at Portland, Auburn, Augusta, Bangor, Fort Kent, and Machias, at which almost phenomenal growth in two-year terminal and transfer programs must be accomplished if the goals pro-

posed are to be attained. Projected growth in this program area is to 8 times present size by 1975 and 13 times present size by 1985.

Similarly, much of the growth in four-year degree programs should be expected at Farmington, Greater Portland (Gorham), and Presque Isle, with the growth emphasis at Orono in the areas of graduate study, research, and acceptance in the junior year of students transferring from the University Community Centers. It is in large part upon this geographical diversification of opportunities for higher education, at the Community Centers, and at the Farmington, Greater Portland, and Presque Isle campuses, that both students and taxpayers must depend to keep educational costs within the limits of ability to pay. The need for greatly expanded facilities in the Greater Portland area cannot be overemphasized. The proposed development of Maine's public higher education system will ultimately make it possible for at least 90% of Maine students to obtain two years of post-secondary education within 40 miles of their homes, witht a considerable saving to them in away-from-home living costs.

Opportunity Information and Student Recruitment

7. The Commission RECOMMENDS that the proposed University of the State of Maine, in order to increase more rapidly the number of young people in Maine who are to continue their education beyond high school, undertake a program of intensive recruitment. This program should be designed to inform both students and parents regarding the desirability of education beyond the secondary school level, the availability and accessibility of post-secondary programs of interest and value, and the availability of financing for participation in in them. Clearly motivation of students, as well as facilities and programs, must be supplied if Maine is to progress at an acceptable pace in the field of higher education.

At the present time only 24% of Maine youths seek education beyond the secondary school level, and Maine ranks 42nd in the nation in the percentage of employed persons considered to have the skills required by science-based industries and service occupations. The American Association of Junior Colleges notes that, while in 1930 high school graduates qualified for 90% of available jobs, by 1970 they will qualify for only 32%. At least two years of college will be necessary to prepare for 50% of available positions. Nothing less than the enrollment goals herein proposed can come close to adequately preparing our young people for the complex world which they as adults will face.

The proposed University of the State of Maine in accepting responsibility for providing all public post-secondary education should recognize that Maine needs certain "basics" of higher education to which all of its citizens may expect ease of access, regardless of where they live or what financial resources they have.

Two-Year Technical, remedial, and Adult Education Programs

8. The Commission RECOMMENDS, therefore, that in developing its campuses and branches throughout the State, The University of the State of Maine should plan to give special attention to providing high quality programs in the following listed areas of basic needs, and provide financial aid programs adequate for one- and two-year students, as well as for four-year students:

   a. general academic programs which enable students to complete the first two years of college with associate degrees and transfer, if they desire, to a four-year program as a junior;

   b. two-year technical programs offering associate degrees and one- and two-year vocational programs designed for employment in a great variety of areas — these should be quality programs which may lead to immediate employment or possibly carry some transfer credit to four-year programs;

   c. remedial programs planned for "late bloomers," for underachievers, and for those who are ill-prepared (because of cultural, financial, or psychological reasons) which permit such students another opportunity to make up deficiencies and thus to qualify for admission to a transfer, technical, or vocational curriculum;

   d. continuing or adult education programs which will enable adults to upgrade themselves culturally as well as occupationally; and

Counseling Programs: Guidance Centers

   e. Closely articulated counseling programs in the schools and colleges, and the early establishment by the University of well-manned Guidance Centers offering field services as well as those at the Center, aimed at assisting students to match their study and occupational interests with their abilities to pursue education to the limits which these may set, in public or private institutions.

Preparation for Post-Secondary Technical Programs

9. The Commission RECOMMENDS that in order to assure the highest quality of offerings in the future in vocational and technical education, the State of Maine should plan to develop in the secondary schools preparatory programs leading to admission to post-secondary vocational and technical programs, public or private.

For so long as vocational education programs at the high school level remain, every effort should be made to insure that students attending area vocational centers or participating in vocational education programs will have adequate opportunity to prepare themselves for post-secondary education. Careful consideration should be given to the balance between vocational education at the secondary and at the post-secondary level.

Post-Secondary Vocational and Technical Education

10. The Commission RECOMMENDS that the University of the State of Maine should be responsible for all public post-secondary programs in vocational and technical education. To this end:

    a. the University should create a division responsible for the development and administration of one- and two-year vocational-technical education programs to carry on the necessary planning, the training of teachers for these programs, the essential research and development, and the program-liaison with the secondary schools; a separate body reporting to the Trustees of The University of the State of Maine should be established to advise and recommend with respect to policy; program of technical and vocational education should have a distinct budget within the University's total budget; and

    b. the centers, branches, and campuses of the University should develop curriculums balancing vocational, technical, and general education, leading either to the associate degree or to one- or two-year certificates of proficiency in specialized fields; the program should be responsive to the needs of students and should be sensitive to the State's economy, both traditional and developing, and to both general and special accreditation requirements; if it is the considered judgment of the advisory body responsible for technical-vocational education which reports to the Trustees of the University, advisory committees of persons drawn from labor, industry, business, and education,

and the University in the region being served, might assist with recommendations for given campuses, center or branch curriculums.

Graduate and Professional Education

11. The Commission RECOMMENDS that The University of th State of Maine should give special attention to expandin and strengthening program offerings at the graduate and pr fessional level, planning to increase full- and part-time en rollment approximately threefold or fourfold during the ne ten years. In achieving the much needed improvements i graduate and professional education the University should:

    a. build on existing strengths in business, law, nursin chemistry, forestry, physics, zoology, engineering, marin sciences, and education, bringing their support up to th levels now enjoyed by agriculture and the pulp and pap field;

    b. add some additional graduate or professional programs the humanities and the social and behavioral sciences in cluding the fields of social work and United States Canadian relations;

    c. recognize in designing graduate programs that faculty the public and many of the private higher education in stitutions as well as business and industrial employe require and want graduate education opportunities;

    d. attempt to arrange cooperative programs and activities the graduate and professional level with other high education institutions in Maine and throughout Ne England;

    e. add new faculty who have recognized ability for teachin at the graduate level and for scholarly work, providin special financial arrangements where necessary;

    f. provide higher compensation for professors and associa professors generally, as low salaries competitively at the two levels are a fundamental weakness at this time; and

    g. establish a program of fellowships and assistantshi which in number and amount will be competitive wi those offered by the best universities in the country.

Research and Development

12. With respect to the need for increasing the amount, diversit and quality of research in the State of Maine, the Comm sion RECOMMENDS that:

a. The University of the State of Maine should establish a University Development Center for the purpose of coordinating existing and future research and service activities in its various departments, devisions, and schools (including administering Federal funds received by the University for development purposes) which are aimed primarily at serving the research and information needs of agriculture, fisheries, forestry, commerce, industry, and the professions in Maine;

b. a technoeconomic survey should be undertaken of the feasibility of establishing a research and development center in the Portland area, which would include an investigation of industrial needs and available faculty resources; and

c. because The University of the State of Maine will have resources and know-how in a number of fields useful in international development work, it should seek a modest number of overseas development assignments with every expectation that through such experiences the University's ability to serve the State's development needs will be enhanced.

Effective Utilization of Facilities

13. The Commission RECOMMENDS that The University of The State of Maine should undertake at once a comprehensive study of the effectiveness and efficiency of the utilization of its existing facilities, directed toward a determination of the means by which such utilization may be maximized both for present and for future facilities. Considerable savings to the taxpayers of Maine in future construction costs can be realized, if use of existing facilities and planning of future ones is based upon knowledge which could develop from such a study. Full use of Federal loan and grant funds for construction purposes should be made in all future construction projects.

Consolidation of Facilities and Programs

14. The Commission RECOMMENDS the consolidation of facilities and programs as suggested in the report of the Academy for Educational Development. While the Commission recognizes that further in-depth consideration of location and coordination as the master plan is developed may result in some deviation from the patterns suggested by the Academy, it believes that consolidation is essential in several instances and must have highest priority.

Cooperation with Canadian Institutions

15. In its juxtaposition to the Canadian border, the State of Maine has an unusual opportunity to establish cooperative programs in higher education whereby Canadian youth beyond commuting distance from higher education facilities in Canada, could commute to one of three units of The University of the State of Maine. The Commission RECOMMENDS that The University of the State of Maine investigate this possibility further with neighboring Canadian institutions, looking towards coordination of programs and full transferability of academic credit, and the joining in a proposal for foundation support to inaugurate such programs.

RECOMMENDATIONS - (Group C)

REQUIRING LEGISLATIVE ACTION, NOW OR LATER.
UNRELATED TO OTHER RECOMMENDATIONS.

In designing a structure and form of organization for the future of higher education, Maine must recognize the importance of the present and future role of the Federal government. About $5 million comes annually from Federal sources for the support of higher education. The Commission believes with the Academy for Educational Development that when:

a. sums of this magnitude are involved;

b. the purposes of these Federal programs are often supplementary to the purposes of the State;

c. Federal regulations require coordination, planning, and reporting by the State;

d. initiative, planning, and the matching of funds play significant roles in getting and using these funds; and

e. a state has a limited economic base from which to build a modern system of higher education;

a state must define its role with respect to Federal programs and develop an appropriate structure to play its role effectively, rapidly, and precisely in this new Federal-State partnership.

Higher Education Development Authority

16. The Commission RECOMMENDS, therefore, that the State of Maine establish a Higher Education Development Authority for the purpose of coordinating all Federal higher

education programs and funds in Maine for which state coordination is required. In general, the Authority would perform the higher education functions required by State or Federal statute which could not properly be assigned to the Board of Trustees of The University of the State of Maine because of possible conflict of interest and lack of authority or concern for private higher education. Specifically, such an agency should:

a. Be established by state law but not as a department of the state government.

b. See as its major responsibility the marshalling of all higher education resources in Maine — public and private — to the utilization of Federal funds for the purposes intended to meet Maine's higher education needs.

c. Be designated as the agency within Maine for the administration of state-sponsored programs to which all students or all institutions — public and private — should have access (i.e., state scholarship and loan programs).

d. Provide continual advice and assistance to the higher education institutions in the use of funds and the preparation of proposals for them.

e. Identify appropriate institutions, organizations, or agencies in the State, including the Authority itself, to administer Federal higher education programs where this is a state responsibility.

f. Advise the Governor and Legislature on the need for matching and supplemental funds and on the other legislative actions or administrative actions necessary to assure that full advantage can be taken of Federal funds in the State of Maine.

g. Be appropriately staffed and financially supported by state funds to cover the wide range of services needed by the higher education institutions if better use is to be made of Federal funds.

h. Maintain an up-to-date accounting of all Federal funds in Maine being used in the support of higher education activities and services.

i. Report annually to the Legislature and the people of the State of Maine on its activities and services.

State Support for Student Aid, and Federal Matching Funds

17. The Commission RECOMMENDS immediate and adequate public support by the State of Maine for scholarships, fellowships, and student loans; for the operation of the proposed

Higher Education Development Authority; and for the matching of Federal funds for research, for education programs, for student aid, and for other service activities.

Greater Support for Higher Education Required

18. The Commission RECOMMENDS that the Legislature should anticipate making a substantially higher commitment of state revenues in the future to the support of public higher education programs and related activities than has ever been the case in the past. This additional support will be required to meet adequately the future need of The University of the State of Maine for:

    a. higher faculty salaries, especially for professors and associate professors;

    b. the improvement of libraries;

    c. strengthening and expanding graduate and professional educational opportunities and related research;

    d. increased funds for research and other services in support of Maine's economic development;

    e. strengthening and increasing the opportunities for post-secondary technical and vocational education;

    f. improved administrative arrangements and increased planning activities; and

    g. additional faculty, equipment, and other resources to accommodate the projected increase in enrollment in public higher education during the next ten years.

RECOMMENDATIONS - (Group D)

NO LEGISLATIVE ACTION REQUIRED.
INDEPENDENT OF OTHER RECOMMENDATIONS.

An existing shortcoming (from which duplications often result) is the absence of cooperative efforts among the public institutions and between them and the various private ones as well. There are no regulations or other reasons preventing higher education institutions in the State of Maine from doing things together. Unfortunately, there has been no voluntary association to foster such an arrangement nor sufficient coordination to achieve it nor funds to support significant cooperative arrangements.

Maine Higher Education Association

19. The Commission RECOMMENDS that the higher education institutions in the State of Maine immediately form an association (which might be known as the Maine Higher Education Association) for the purpose of promoting a variety of cooperative activities, services and programs among the private institutions and between them and the proposed University of the State of Maine. Included among its activities should be advising the Legislature on the granting of new charters for private colleges.

Economic Development

20. The Commission RECOMMENDS that if higher education institutions are to make an appropriate contribution to the economic development of tthe State of Maine, efforts should be made to:

    a. increase graduate and professional offerings especially in the southern part of the State (which might be the joint responsibility of the University and the private colleges) in fields indispensable to the science-based industries for which there is considerable potential in the region;

    b. make greater use of local business, labor, and industrial leaders in the development of needed new programs in vocational and technical education for which there are many program possibilities;

    c. bring the higher education institutions into the activities of the Department of Economic Development and other agencies, public and private, which are concerned with economic development in the State of Maine, by means of greater cooperation and coordination such as the use of professional services of faculty members by DED in acquiring research data, and the use by the University of DED'S knowledge of the needs of the Maine business community in establishing additional graduate courses; and

    d. greatly increase the amount, diversity, and quality of research done in the State of Maine, especially research which will aid in strengthening programs in graduate education, and research related to the economic conditions in Maine which should be aimed at strengthening those industries of the State with growth potential.

Industry will need encouragement to expand in Maine, but as studies of Maine's economy have pointed out, the absence of strong technical programs related to science-based industries is a hindrance to economic growth. While the projected

expansion of engineering education is adequate for present needs, a decision to use education as a force for economic growth will require more trained manpower especially in engineering and business administration. Educational opportunities in these fields must be provided on a full- and part-time basis close to the population centers.

Education also has a lot to do with the environmental setting in which economic growth takes place. In simplest terms, the quality and quantity of education determine whether there will be an environment conducive to economic and cultural development.

HIGHER EDUCATION — AN EXPENSIVE BUT NECESSARY INVESTMENT

The Commission wholly concurs with the statement of the Academy for Educational Development that "a decision to broaden and improve public higher education opportunities in the State of Maine and to develop and use the resources of higher education to further the cultural and economic growth of the state must be matched by a willingness at the highest levels in the state to provide the financial resources required. Only if the support is adequate can quality in these activities be assured."

For several generations Maine's level of support of public higher education has been low, compared with other states, both on a per capita and on a personal income basis. In 1965, only nine states spent less per capita for post-secondary education than Maine, while twenty-one states spent more than twice the $20 per capita spent by the State of Maine. In 1965, thirty-seven states, including New Hampshire and Vermont, spent more per $1,000 of income than did the State of Maine; of the 15 states having lower per capita personal incomes than Maine, all spent a higher per cent of personal income for public higher education than did Maine. Clearly, Maine can, and Maine should, increase its effort. The Legislature of the State of Maine must be prepared to make larger appropriations for the support of public higher education, both for operating expenses and for capital improvements, than have been made heretofore, if Maine is to reach the goals embodied in these recommendations of the Commission.

Increased support for higher education is imperative. The abilities of the young people of Maine to compete with those from sister states, in the difficult world of tomorrow, depend upon it. The future development of the State of Maine is irreconcilably attached to it. Truly, it is . . . "The First Business of Our Times."